

FEDERAL BUREAU OF INVESTIGATION  
FOI/PA  
DELETED PAGE INFORMATION SHEET  
FOI/PA# 1328657-0

Total Deleted Page(s) = 43

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Page 292 ~ b6; b7C;

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FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☐ UNCLAS

Date 5/2/89

TO : DIRECTOR, FBI  
 (ATTN: SSA [REDACTED] PUBLIC CORRUPTION UNIT, CID)

FROM : SAC, WMFO (58A-NEW) (P)

"CHANGED"

CONGRESSMAN JAMES WRIGHT (TEXAS),  
 SPEAKER OF THE HOUSE OF REPRESENTATIVES;  
 BRIBERY

Title "CHANGED" to reflect change of classification of captioned matter from "Ethics in Government Act of 1978" to "Bribery" per Bureau instructions.

Re telcalls between New York and WMFO, 4/20-21/89; WMFO Airtel to Director, 4/24/89; and FBIHQ telcall between SSA [REDACTED] and WMFO SA [REDACTED] 4/28/89.

Enclosed for the Bureau are five copies of a self-explanatory Letterhead memorandum (LHM) suitable for dissemination. The LHM incorporates information provided by [REDACTED] on 5/7/87, 6/25/87 and 4/20/89.

During referenced telephone call between SSA [REDACTED] and SA [REDACTED], SSA [REDACTED] requested a document be prepared containing information provided [REDACTED] which could be disseminated without jeopardizing the source. After discussions between SA [REDACTED] and the source, information was identified which was not "singular" information. According to source, the information would either be "commonly known" or known to more than one person. This information was incorporated in the enclosed LHM.

Information copies are being provided to the New York Office in view of the location of AHOC and some of the principals involved in this matter.

2-FBIHQ (Enc. 5)

2-New York (Enc. 2) (ATTN: SSA [REDACTED] C-14)

2-WMFO (Enc. 2)

WMM:mt

(6)

58A-WF-163158-1

SEARCHED	INDEXED
SERIALIZED	FILED
MAY 1989	

Approved: [Signature]

Transmitted: [Signature]

(Number)

(Time)

WASHINGTON FIELD

(C-9)

maintain contact source

b6  
b7C

b6  
b7C  
b7D

b6  
b7C  
b7D

b6  
b7C



U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to  
File No.

Washington, D.C.  
May 2, 1989

CONGRESSMAN JAMES WRIGHT (TEXAS)  
SPEAKER OF THE HOUSE OF REPRESENTATIVES  
BRIBERY

On April 20, 1989, a very sensitive and reliable confidential source (source) of the FEDERAL BUREAU OF INVESTIGATION (FBI) provided information concerning Congressman JAMES WRIGHT to FBI Special Agents [redacted] Washington Metropolitan Field Office (WMFO), and [redacted] New York Field Office. The source had no personal knowledge concerning the following matter. The source developed this information from [redacted]

b6  
b7C  
b7D

[redacted] The source could not provide a date for the incident, but believed it occurred during the late 1970s or early 1980s.

The source identified BOB WRIGHT as the brother of United States Congressman JAMES WRIGHT of Texas who is currently the Speaker of the House of Representatives. The source advised BOB WRIGHT is the president of AMERATTA HESS OIL CORPORATION (AHOC) which is headquartered in the New York City metropolitan area. The source learned BOB WRIGHT was promoted to the position of president of AHOC several years ago [redacted] [redacted] Congressman JAMES WRIGHT [redacted]

b7D

The source learned Congressman WRIGHT [redacted] [redacted] The source did not know if Congressman WRIGHT [redacted] [redacted] Congressman WRIGHT [redacted]

b7D

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

5-Bureau  
2-New York  
2-WMFO  
WMM:mt  
(9) MT



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[illegible]

Date			
Title and Character of Case <i>JAMES C. WRIGHT FORMER US CONGRESSMAN 12TH DISTRICT FT WORTH TEXAS BRUBEN / CO Company</i>			
Date Property Acquired	Source From Which Property Acquired		
Location of Property or Bulky Exhibit <i>NVMRA</i>	Reason for Retention of Property and Efforts Made to Dispose of Same <i>Evidence</i>		
To Be Returned <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	See Serial	Agent Submitting Property or Exhibit	Agent Assigned Case
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Grand Jury Material - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.			
Description of Property or Exhibit			

*destroyed 5/13/93*  
*SA*  
*FBI, NVMRA*

For Valuable and/or Narcotics Evidence Only	Signature of Two Special Agents Verifying and Sealing Bag Contents
Evidence Bag Seal # _____	_____

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

Field File # <i>58A 163158</i>	<div>58A-163158-1B ① BLOCK-STAMP AUG 9 1989 FBI-WASH. FIELD OFFICE</div>
OO: <i>WMFO</i>	
ORIGINAL (FILE COPY)	

Date

Title and Character of Case

*James C Wright  
Former US Congressman  
12th District  
20th Ward Texas  
Babcock / CO1 Conspiring*

b3  
b6  
b7C

Date Property Acquired

Source From Which Property Acquired

Location of Property or Bulky Exhibit

Reason for Retention of Property and Efforts Made to Dispose of Same

*NVMA*

*Evidence*

To Be Returned

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

☐ Yes ☒ No

b6  
b7C

☒ Yes ☐ No Grand Jury Material - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

Description of Property or Exhibit


b3  
b6  
b7C

*Destroyed 5/13/97  
SA [Signature]  
FBI, NVMA*

b6  
b7C

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal # \_\_\_\_\_

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

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\_\_\_\_\_  
\_\_\_\_\_

*58A-WF-163158-1B*

Field File # *58A 163158*

OO: *WMFO*

ORIGINAL (FILE COPY)

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AUG 9 1989	
FBI-WASH. FIELD OFFICE	

(2)

Date

Title and Character of Case

JAMES C. WRIGHT  
FORMER U.S. CONGRESSMAN  
12TH DISTRICT  
FT WORTH TEXAS  
BRIBERY / COI; CONSPIRACY  
OO WMPD

b3  
b6  
b7C

Date Property Acquired

Source From Which Property Acquired

Location of Property or Bulky Exhibit

Reason for Retention of Property and Efforts Made to Dispose of Same

NMRA

EVIDENCE

To Be Returned

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

☐ Yes ☒ No

☒ Yes ☐ No Grand Jury Material - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

b6  
b7C

Description of Property or Exhibit

Destroyed 5/13/93  
Sgt [Signature]  
FBI, NMRA

b3

b6  
b7C

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal #

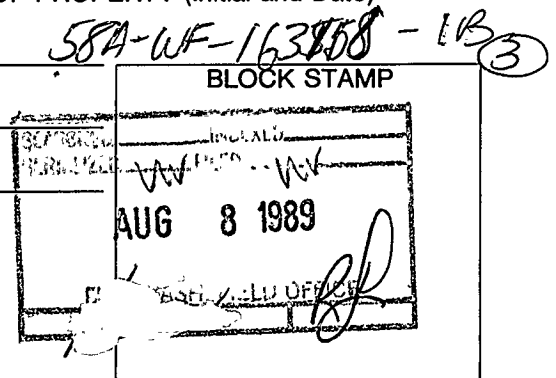
Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

Field File # 58A WF 163158

OO: WMPD

ORIGINAL (FILE COPY)



Date

Title and Character of Case

JAMES C. WRIGHT  
FORMER US CONGRESSMAN  
12TH DISTRICT  
FT WORTH TEXAS  
BRIBERY / COI; CONSPIRACY 30 W MFO

b3  
b6  
b7C

Date Property Acquired

Source From Which Property Acquired

Location of Property or Bulky Exhibit

NUMRA

Reason for Retention of Property and Efforts Made to Dispose of Same

EVIDENCE

To Be Returned

☐ Yes ☒ No

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

☒ Yes ☐ No Grand Jury Material - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

b3  
b6  
b7C

Description of Property or Exhibit

Destroyed 5/13/93

SA

FBI, NUMRA

b6  
b7C

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal # \_\_\_\_\_

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents

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SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

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Date

Title and Character of Case

JAMES C. WRIGHT  
FORMER UNITED STATES CONGRESSMAN  
12TH DISTRICT  
FT WORTH TEXAS  
BRIBERY / COI, CONSPIRACY, WMFO

b3  
b6  
b7C

Date Property Acquired

Source From Which Property Acquired

Location of Property or Bulky Exhibit

Reason for Retention of Property and Efforts Made to Dispose of Same

NUMRA

EVIDENCE

To Be Returned

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

☐ Yes ☒ No

☒ Yes ☐ No Grand Jury Material - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

b6  
b7C

Description of Property or Exhibit

Destroyed 5/13/93

5A

FBI, NUMRA

b3  
b6  
b7C

b6  
b7C

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal #

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

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58A-WF-163158-1B

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 8 1989	
FBI - FT WORTH	

5

Date

Title and Character of Case

James C. Wright  
Former U.S. Congressman  
12th District, Ft Worth Texas

b3  
b6  
b7C

Date Property Acquired

Source From Which Property Acquired

Location of Property or Bulky Exhibit

Reason for Retention of Property and Efforts Made to Dispose of Same

NVMRA

Evidence

To Be Returned

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

☐ Yes ☒ No

☒ Yes ☐ No Grand Jury Property - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

☐ Yes ☒ No Property to be Forfeited to the Government

b3  
b6  
b7C

Description of Property or Exhibit

Destroyed 5/13/93

2A

FBI - NVMRA

b6  
b7C

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal #

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

Field File # 58A 163158

OO: WF

ORIGINAL (FILE COPY)

58A-WF-163158-1B  
BLOCK STAMP

JG 1989

f

Date

Title and Character of Case

JAMES C. WRIGHT  
FORMER U.S. CONGRESSMAN  
12th DISTRICT  
FT WORTH TEXAS  
BRIBERY/COI  
CONSPIRACY

b3  
b6  
b7C

Date Property Acquired

Source From Which Property Acquired

Location of Property or Bulky Exhibit

NVMRA

Reason for Retention of Property and Efforts Made to Dispose of Same

EVIDENCE

To Be Returned

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

☐ Yes ☒ No

☒ Yes ☐ No Grand Jury Property - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

b6  
b7C

☐ Yes ☒ No Property to be Forfeited to the Government

Description of Property or Exhibit

b3

Destroyed 5/13/93  
SA [Signature]  
FBI - NVMRA

b6  
b7C

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal #

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

Field File # 58A-WF-163158

OO: WF

ORIGINAL (FILE COPY)

58A-WF-163158-1B  
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JUG 4 1989  
f



Date

Title and Character of Case

*James C. Wright  
Former<sup>US</sup> Congressman  
121st District 75 Westin Texas  
Barbery/coi; Company  
OO WMFO*

b3  
b6  
b7C

Date Property Acquired

Source From Which Property Acquired

Location of Property or Bulky Exhibit

Reason for Retention of Property and Efforts Made to Dispose of Same

*NVMRA*

*Evidence*

To Be Returned

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

☐ Yes ☒ No

☒ Yes ☐ No Grand Jury Property - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

b3  
b6  
b7C

☐ Yes ☒ No Property to be Forfeited to the Government

Description of Property or Exhibit

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal # \_\_\_\_\_

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

*58A WF 163158-1B*

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JG 1989

*f*

Field File # *58A 163158*

OO: *WF*

ORIGINAL (FILE COPY)

Date

Title and Character of Case

JAMES C. WRIGHT  
FORMER U.S. CONGRESSMAN  
12th District, Ft. Worth, Texas  
BRIBERY/COI; CONSPIRACY

b3  
b6  
b7C

Date Property Acquired

Source From Which Property Acquired

Location of Property or Bulky Exhibit

Reason for Retention of Property and Efforts Made to Dispose of Same

NVMRA

EVIDENCE

To Be Returned

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

☐ Yes ☒ No

☒ Yes ☐ No Grand Jury Property - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

b3  
b6  
b7C

☐ Yes ☒ No Property to be Forfeited to the Government

Description of Property or Exhibit

Destroyed 5/13/93  
SA [Signature]  
FBI, NVMRA

b6  
b7C

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal # \_\_\_\_\_

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

Field File # 58A-WF-163158

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ORIGINAL (FILE COPY)

58A-WF-163158-1B  
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WJ WJ  
AUG 4 1989

(9)

Date

Title and Character of Case

JAMES C. WRIGHT  
FORMER CONGRESSMAN 12TH DISTRICT TEXAS  
BRIBERY; COI

b3  
b6  
b7C

Date Property Acquired

Source From Which Property Acquired

Location of Property or Bulky Exhibit

Reason for Retention of Property and Efforts Made to Dispose of Same

9TH FLOOR EVID ROOM

FGJ SUBPOENA

To Be Returned

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

☐ Yes ☒ No

☒ Yes ☐ No Grand Jury Property - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

b6  
b7C

☐ Yes ☒ No Property to be Forfeited to the Government

Description of Property or Exhibit

b3

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal #

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents

Destroyed  
5/13/93  
SA [Signature]  
FBI - WASH DC

b6  
b7C

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

Field File # 58A-WF-163158

OO: WMFO

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MAY 13 1993	
FBI-WASHINGTON FIELD	

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Date

Title and Character of Case

JAMES C. WRIGHT  
FORMER CONGRESSMAN 12TH DISTRICT, TEXAS  
BRIBERY; COI

b3

Date Property Acquired

Source From Which Property Acquired

Location of Property or Bulky Exhibit

Reason for Retention of Property and Efforts Made to Dispose of Same

9TH FLOOR EVID ROOM FGJ SUBPOENA

To Be Returned

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

☐ Yes ☒ No

☒ Yes ☐ No

Grand Jury Property - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

☐ Yes ☒ No Property to be Forfeited to the Government

b6  
b7C

Description of Property or Exhibit

b3  
b6  
b7C

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal #

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents

58A-WF-163158-1b  
FBI - WASH DC

b6  
b7C

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

Field File #

58A-WF-163158

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WMFO

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58A-WF-163158-1b

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SERIALIZED.....	FILED.....
AUG 6 1993	
FBI - WASHINGTON	

Date

Title and Character of Case

JAMES C. WRIGHT  
FORMER CONGRESSMAN, 12<sup>TH</sup> DISTRICT, TEXAS  
BRIBERY; COI

b3  
b6  
b7C

Date Property Acquired <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>	Source From Which Property Acquired FGI SUBPOENA <span style="border: 1px solid black; display: inline-block; width: 150px; height: 20px;"></span>
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Location of Property or Bulky Exhibit 9TH Floor Bulky Room	Reason for Retention of Property and Efforts Made to Dispose of Same FGI EVIDENCE
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To Be Returned <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	See Serial	Agent Submitting Property or Exhibit <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>	Agent Assigned Case <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
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b6  
b7C

☒ Yes ☐ No Grand Jury Property - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

☐ Yes ☒ No Property to be Forfeited to the Government

Description of Property or Exhibit

b3  
b6  
b7C

Destroyed 5/13/93  
SA [Signature]  
FBI-WHWA

b6  
b7C

For Valuable and/or Narcotics Evidence Only	Signature of Two Special Agents Verifying and Sealing Bag Contents
Evidence Bag Seal # _____	_____

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

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\_\_\_\_\_  
\_\_\_\_\_

Field File # 58A-163158

OO: WMFO

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58A-WF-163158-1			
SEARCHED	INDEXED		
SERIALIZED	FILED		
AUG 10 1993			
FBI-WASHINGTON FIELD			

Date

Title and Character of Case

JAMES C. WRIGHT  
FORMER CONGRESSMAN, 12<sup>TH</sup> DISTRICT, TEXAS  
BRIBERY; COI

b3

Date Property Acquired

Source From Which Property Acquired

Location of Property or Bulky Exhibit

Reason for Retention of Property and Efforts Made to Dispose of Same

9TH FLOOR EVID ROOM

FGT EVIDENCE

To Be Returned

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

☐ Yes ☒ No

☒ Yes ☐ No Grand Jury Property - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

☐ Yes ☒ No Property to be Forfeited to the Government

b6  
b7C

Description of Property or Exhibit

b3

Destroyed - 5/12/93

SA

FBI - WMAA

b6  
b7C

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal # \_\_\_\_\_

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

Field File #

58A-163158

OO:

WMFO

ORIGINAL (FILE COPY)

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58A-WF-163158-16

SEARCHED \_\_\_\_\_ INDEXED \_\_\_\_\_

SERIALIZED 163 FILED 163

APR 1993

FBI - WMAA

Date

Title and Character of Case

JAMES C. WRIGHT  
FORMER CONGRESSMAN 12<sup>TH</sup> DISTRICT, TEXAS  
BRIBERY; COT

b3  
b6  
b7C

Date Property Acquired

Source From Which Property Acquired

VIA FEDERAL  
EXPRESS

Location of Property or Bulky Exhibit

Reason for Retention of Property and Efforts Made to Dispose of Same

9<sup>TH</sup> FLOOR EVID. ROOM

FGI EVIDENCE

To Be Returned

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

☐ Yes ☒ No

b6  
b7C

☒ Yes ☐ No Grand Jury Property - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

☐ Yes ☒ No Property to be Forfeited to the Government

Description of Property or Exhibit

b3  
b6  
b7C

Destroyed - 5/13/93  
SA  
FBI - WMAA

b6  
b7C

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal # \_\_\_\_\_

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

Field File #

58A-WF-163158

OO:

WMFO

BLOCK STAMP

58A-WF-163158-16-

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AUG 1 8 1989



Date

Title and Character of Case

JAMES C. WRIGHT  
BRIBERY; COI

b3  
b6  
b7C

Date Property Acquired

Source From Which Property Acquired

BY COURIER

Location of Property or Bulky Exhibit

Reason for Retention of Property and Efforts Made to Dispose of Same

9TH FLOOR EVID ROOM

FBI EVIDENCE

To Be Returned

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

☐ Yes ☒ No

b6  
b7C

☒ Yes ☐ No Grand Jury Property - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

☐ Yes ☒ No Property to be Forfeited to the Government

Description of Property or Exhibit

b3  
b6  
b7C

Destroyed - 5/13/93  
SA [Signature]  
FBI - NEWARK

b6  
b7C

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal #

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

Field File #

58A-WF-163158

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ORIGINAL (FILE COPY)

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58A-WF-163158-16-

SEARCHED  
SERIALIZED

AUG 18 1989

(15)

Date

Title and Character of Case

JAMES C. WRIGHT  
BRIBERY; COT

b3  
b6  
b7C

Date Property Acquired

Source From Which Property Acquired

VIA COURIER

Location of Property or Bulky Exhibit

Reason for Retention of Property and Efforts Made to Dispose of Same

9TH FLOOR EVID ROOM FGJ SUBPOENAED EVIDENCE

To Be Returned

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

☐ Yes ☒ No

☒ Yes ☐ No

Grand Jury Property - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

☐ Yes ☒ No

Property to be Forfeited to the Government

b6  
b7C

Description of Property or Exhibit

b3  
b6  
b7C

Destroyed - 5/13/83  
SA [Signature]  
FBI - NEWARK

b6  
b7C

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal #

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

Field File #

58A-WF-163158

OO:

WMFO

ORIGINAL (FILE COPY)

BLOCK STAMP

58A-WF-163158-116

AUG 18 1989

Date

Title and Character of Case

JAMES C. WRIGHT  
BRIBERY; COI

b3  
b6  
b7C

Date Property Acquired

Source From Which Property Acquired

VIA FEDERAL EXPRESS

Location of Property or Bulky Exhibit

Reason for Retention of Property and Efforts Made to Dispose of Same

9TH FLOOR EVID, Room FGS EVIDENCE

To Be Returned

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

☐ Yes ☒ No

b6  
b7C

☒ Yes ☐ No Grand Jury Property - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

☐ Yes ☒ No Property to be Forfeited to the Government

Description of Property or Exhibit

b3  
b6  
b7C

Destroyed - 5/3/93  
SA [Signature]  
FBI - NCHRA

b6  
b7C

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal #

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

Field File #

58A-WF-163158

OO:

WMFO

ORIGINAL (FILE COPY)

BLOCK STAMP

58A-WF-163158-16

SEARCHED INDEXED SERIALIZED FILED

AUG 21 1989

FBI-WFO

Date

Title and Character of Case

JAMES C. WRIGHT  
BRIBERY; COI

b3  
b6  
b7C

Date Property Acquired

Source From Which Property Acquired

VIA US MAIL

Location of Property or Bulky Exhibit

Reason for Retention of Property and Efforts Made to Dispose of Same

9TH FLOOR EVID ROOM

FBI EVIDENCE

To Be Returned

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

☐ Yes ☒ No

☒ Yes ☐ No

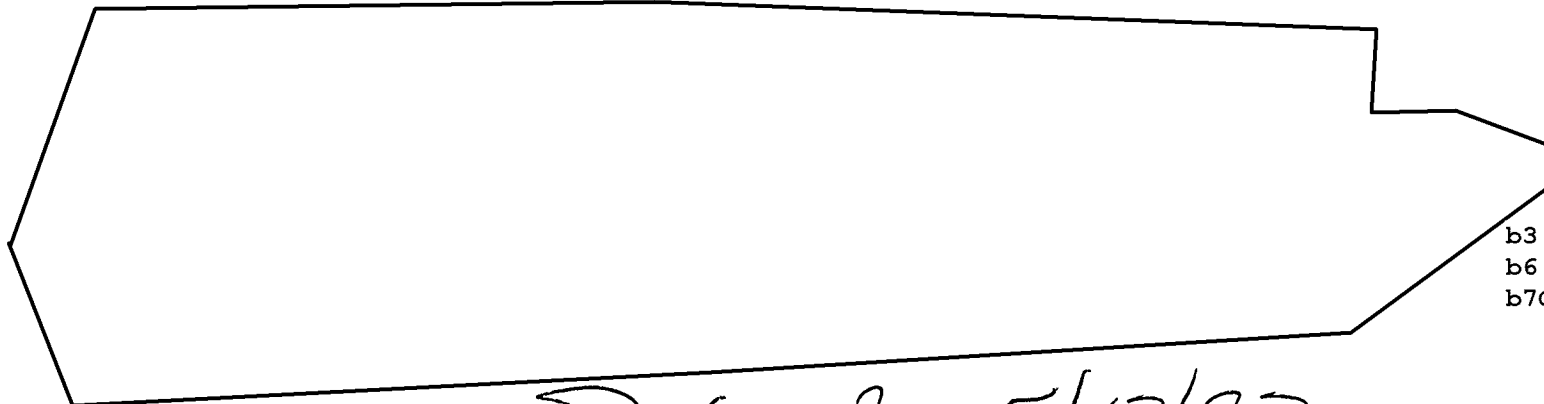
Grand Jury Property - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

☐ Yes ☒ No

Property to be Forfeited to the Government

b6  
b7C

Description of Property or Exhibit



b3  
b6  
b7C

Destroyed - 5/13/93  
SA

b6  
b7C

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal #

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents

FBI - NEWARK

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

Field File #

58A-WF-163158

OO:

WMFO

BLOCK STAMP

58A-WF-163158-16-

AUG 22 1989

Date

Title and Character of Case

JAMES C. WRIGHT  
BRIBERY; COI

b3  
b6  
b7C

Date Property Acquired

Source From Which Property Acquired

Location of Property or Bulky Exhibit

Reason for Retention of Property and Efforts Made to Dispose of Same

9TH FLOOR EVIDENCE ROOM

FGJ SUBPOENA

To Be Returned

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

☐ Yes ☐ No

b6  
b7C

☒ Yes ☐ No Grand Jury Property - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

☐ Yes ☒ No Property to be Forfeited to the Government

Description of Property or Exhibit

b3  
b6  
b7C

Destroyed - 5/15/93  
SA  
FBI - WMPA

b6  
b7C

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal # \_\_\_\_\_

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

19

Field File #

58A-WF-163158

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58A-WF-163158-1B  
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AUG 28 1989

Date

Title and Character of Case

JAMES C. WRIGHT  
BRIBERY; COIT

b3  
b6  
b7C

Date Property Acquired

Source From Which Property Acquired

Location of Property or Bulky Exhibit

Reason for Retention of Property and Efforts Made to Dispose of Same

9TH FLOOR EVIDENCE RM

FGT EVIDENCE

To Be Returned

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

☐ Yes ☒ No

☒ Yes ☐ No Grand Jury Property - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

☐ Yes ☒ No Property to be Forfeited to the Government

b6  
b7C

Description of Property or Exhibit

b3  
b6  
b7C

Destroyed - 5/13/93  
SAA [Signature]  
FBI - NEWARK

b6  
b7C

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal # \_\_\_\_\_

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents \_\_\_\_\_

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

Field File #

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SERIALIZED [P] FILED [P]  
AUG 28 1989

Date

Title and Character of Case

JAMES C. WRIGHT  
BRIBERY; COT

b3  
b6  
b7C

Date Property Acquired

Source From Which Property Acquired

Location of Property or Bulky Exhibit

Reason for Retention of Property and Efforts Made to Dispose of Same

9TH FLOOR EVIDENCE ROOM FGI EVIDENCE

To Be Returned

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

☐ Yes ☒ No

☒ Yes ☐ No Grand Jury Property - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

☐ Yes ☒ No Property to be Forfeited to the Government

b6  
b7C

Description of Property or Exhibit

b3  
b6  
b7C

Destroyed - 5/13/92  
SA [Signature]  
FBI - MEMPHIS

b6  
b7C

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal # \_\_\_\_\_

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents \_\_\_\_\_

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

Field File #

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SERIALIZED [initials]  
AUG 28 1989

(21)

Date

Title and Character of Case

JAMES C. WRIGHT  
BRIBERY; COI

b3

Date Property Acquired

Source From Which Property Acquired

Location of Property or Bulky Exhibit

Reason for Retention of Property and Efforts Made to Dispose of Same

QTH FLOOR EVIDENCE ROOM

FGI EVIDENCE

To Be Returned

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

☐ Yes ☒ No

b6  
b7C

☒ Yes ☐ No Grand Jury Property - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

☐ Yes ☒ No Property to be Forfeited to the Government

Description of Property or Exhibit

b3  
b6  
b7C

Destroyed 5/13/93  
SA [redacted]  
FBI - NUMRA

b6  
b7C

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal # \_\_\_\_\_

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents \_\_\_\_\_

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

22

Field File #

58A-WF-163158

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58A-WF-163158-1B  
BLOCK STAMP  
AUG 25 1989  
FBI - NUMRA



Date

Title and Character of Case

JAMES C. WRIGHT  
BRIBERY; COI

b3  
b6  
b7C

Date Property Acquired

Source From Which Property Acquired

Location of Property or Bulky Exhibit

Reason for Retention of Property and Efforts Made to Dispose of Same

9TH FLOOR EVIDENCE ROOM

FGI EVIDENCE

To Be Returned

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

☐ Yes ☒ No

☒ Yes ☐ No

Grand Jury Property - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

☐ Yes ☒ No

Property to be Forfeited to the Government

b6  
b7C

Description of Property or Exhibit

b3  
b6  
b7C

Destroy 5/13/93  
SA [Signature]  
FBI - WMA

b6  
b7C

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal # \_\_\_\_\_

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

Field File #

58A-WF-163158

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FBI-WMA

87-18  
(23)

Date

Title and Character of Case

JAMES C. WRIGHT  
BRIBERY; COI

b3  
b6  
b7C

Date Property Acquired <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>	Source From Which Property Acquired PIS-DOJ <span style="border: 1px solid black; display: inline-block; width: 150px; height: 20px;"></span>
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Location of Property or Bulky Exhibit QTH FLOOR ER	Reason for Retention of Property and Efforts Made to Dispose of Same FGJ SUBPOENA
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To Be Returned <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	See Serial	Agent Submitting Property or Exhibit <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>	Agent Assigned Case <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
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b6  
b7C

☒ Yes ☐ No Grand Jury Property - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

☐ Yes ☒ No Property to be Forfeited to the Government

Description of Property or Exhibit

b3  
b6  
b7C

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal # \_\_\_\_\_

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents

\_\_\_\_\_  
\_\_\_\_\_

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

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Field File # 58A-163158

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SERIALIZED	FILED

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~~1~~ b3  
b6  
b7C

### Remarks

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. At the bottom edge, there are two circular punch holes, one towards the left and one towards the right, indicating it was part of a binder. The paper appears slightly aged or off-white.

Date

Title and Character of Case

JAMES C. WRIGHT  
BRIBERY; COI

b3  
b6  
b7C

Date Property Acquired

Source From Which Property Acquired

PIS-DOJ

Location of Property or Bulky Exhibit

QTA FLOOR ER

Reason for Retention of Property and Efforts Made to Dispose of Same

FGT EVIDENCE

To Be Returned

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

☐ Yes ☒ No

☐ Yes ☒ No Grand Jury Property - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

b6  
b7C

☒ Yes ☐ No Property to be Forfeited to the Government

Description of Property or Exhibit

b3  
b6  
b7C

Destroyed - 5/13/93  
SA [redacted]  
FBI - NEWARK

b6  
b7C

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal # \_\_\_\_\_

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents \_\_\_\_\_

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

Field File #

58A-163158

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SEARCHED INDEXED  
SERIALIZED FILED

FBI-WF

Date

Title and Character of Case

JAMES C. WRIGHT  
BRIBERY; COI

b3  
b6  
b7C

Date Property Acquired

Source From Which Property Acquired

PIS-DOJ

Location of Property or Bulky Exhibit

QTH FLOOR ER

Reason for Retention of Property and Efforts Made to Dispose of Same

FBI EVIDENCE

To Be Returned

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

☐ Yes ☒ No

☒ Yes ☐ No

Grand Jury Property - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

☐ Yes ☒ No

Property to be Forfeited to the Government

b6  
b7C

Description of Property or Exhibit

b3

Destroyed - 5/13/93  
SA [Signature]  
FBI - NMRA

b6  
b7C

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal #

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

Field File #

58A-163158

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ORIGINAL (FILE COPY)

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58A-WF-163158-1B

SEARCHED INDEXED  
SERIALIZED FILED

FBI-WF

216

Date

Title and Character of Case

JAMES C. WRIGHT  
BRIBERY; COI

b3  
b6  
b7C

Date Property Acquired

Source From Which Property Acquired

PIS - DOJ

Location of Property or Bulky Exhibit

QTA FLOOR ER

Reason for Retention of Property and Efforts Made to Dispose of Same

FGT EVIDENCE

To Be Returned

☐ Yes ☒ No

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

b6  
b7C

☒ Yes ☐ No Grand Jury Property - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

☐ Yes ☒ No Property to be Forfeited to the Government

Description of Property or Exhibit

b3  
b6  
b7C

Destroyed - 5/13/93

SA [Signature]  
FBI - MMRA

b6  
b7C

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal # \_\_\_\_\_

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents \_\_\_\_\_

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

Field File #

58A-163158

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58A-WF-163158-1B

27

Date

Title and Character of Case

JAMES C. WRIGHT  
BRIBERY; COI

b3  
b6  
b7C

Date Property Acquired

Source From Which Property Acquired

PIS - DOJ

Location of Property or Bulky Exhibit

Reason for Retention of Property and Efforts Made to Dispose of Same

9TH FLOOR E. R.

FGT EVIDENCE

To Be Returned

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

☐ Yes ☒ No

☒ Yes ☐ No Grand Jury Property - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

b6  
b7C

☐ Yes ☒ No Property to be Forfeited to the Government

Description of Property or Exhibit

b3

Destroyed - 5/13/93  
JH  
FBI - NVHURK

b6  
b7C

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal #

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

Field File #

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58A-WF-163158-18-28

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FBI-WF

Date

Title and Character of Case

JAMES C. WRIGHT  
BRIBERY - COI

b3  
b6  
b7C

Date Property Acquired

Source From Which Property Acquired

PIIS - DOJ

Location of Property or Bulky Exhibit

Reason for Retention of Property and Efforts Made to Dispose of Same

9TH FLOOR EVIDENCE RM

FGJ EVIDENCE

To Be Returned

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

☐ Yes ☒ No

☒ Yes ☐ No Grand Jury Property - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

☐ Yes ☒ No Property to be Forfeited to the Government

b6  
b7C

Description of Property or Exhibit

b3  
b6  
b7C

Destroyed 5/13/93  
SA [Signature]

b6  
b7C

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal #

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents

58A-WF-163158

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

Field File # 58A-WF-163158

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FBI-WASHINGTON	
58A-WF-163158-1B	



Date

Title and Character of Case

JAMES C. WRIGHT  
BRIBERY - COI

b3  
b6  
b7C

Date Property Acquired

Source From Which Property Acquired

PIS - DOJ

Location of Property or Bulky Exhibit

Reason for Retention of Property and Efforts Made to Dispose of Same

9TH FLOOR EVIDENCE ROOM

FBI EVIDENCE

To Be Returned

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

☐ Yes ☒ No

☒ Yes ☐ No Grand Jury Property - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

☐ Yes ☒ No Property to be Forfeited to the Government

b6  
b7C

Description of Property or Exhibit

b3  
b6  
b7C

Destroyed - 5/13/93

SA [REDACTED]  
FBI - NUMRA

b6  
b7C

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal # \_\_\_\_\_

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

Field File # 58A-WF-163158

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SERIALIZED \_\_\_\_\_ FILED \_\_\_\_\_

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FBI-WASHINGTON

58A-WF-163158-13(30)

Date

Title and Character of Case

JAMES C. WRIGHT  
BRIBERY; COI

b3  
b6  
b7C

Date Property Acquired

Source From Which Property Acquired

VIA FEDERAL EXPRESS

Location of Property or Bulky Exhibit

Reason for Retention of Property and Efforts made to Dispose of Same

9TH FLOOR EVID ROOM

FGT EVIDENCE

To Be Returned

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

☐ Yes ☒ No

☒ Yes

☐ No

Grand Jury Property - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

☐ Yes

☒ No

Property to be Forfeited to the Government

b6  
b7C

Description of Property or Exhibit

b3  
b6  
b7C

Destroyed - 5/13/93

SA [redacted]  
FBI - NURRA

b6  
b7C

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal # \_\_\_\_\_

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

Field File #

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SERIALIZED FILED

OCT 1993

FBI-WASHINGTON

Date

Title and Character of Case

JAMES C. WRIGHT  
BRIBERY - COI

b3  
b6  
b7C

Date Property Acquired

Source From Which Property Acquired

DOJ - PIS

Location of Property or Bulky Exhibit

Reason for Retention of Property and Efforts Made to Dispose of Same

QTH FLOOR EVID. ROOM

FGT EVIDENCE

To Be Returned

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

☐ Yes ☒ No

☒ Yes ☐ No

Grand Jury Property - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

☐ Yes ☒ No

Property to be Forfeited to the Government

b6  
b7C

Description of Property or Exhibit

b3

Destroyed - 5/18/93  
SA [Signature]  
FBI - NVMRA

b6  
b7C

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal # \_\_\_\_\_

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

Field File #

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OCT 1 1993

FBI-WASHINGTON FIELD

Date

Title and Character of Case

JAMES C. WRIGHT  
BRIBERY - COT

b3  
b6  
b7C

Date Property Acquired

Source From Which Property Acquired

VIA UPS

Location of Property or Bulky Exhibit

9TH FLOOR EVID ROOM

Reason for Retention of Property and Efforts Made to Dispose of Same

FGT

To Be Returned

☐ Yes ☒ No

See Serial

Agent Submitting Property or Exhibit

Agent Assigned Case

b6  
b7C

☒ Yes ☐ No Grand Jury Property - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure.

☐ Yes ☒ No Property to be Forfeited to the Government

Description of Property or Exhibit

b3  
b6  
b7C

Destroyed - 5/13/93

SA

FBI - NUKRA

b6  
b7C

For Valuable and/or Narcotics Evidence Only

Evidence Bag Seal #

Signature of Two  
Special Agents  
Verifying and Sealing  
Bag Contents

SEMIANNUAL INVENTORY CERTIFICATION TO JUSTIFY RETENTION OF PROPERTY (Initial and Date)

Field File #

58A-WF-163158

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SERIALIZED	FILED
FBI - NUKRA	

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C-2

-->NEXT TEXT  
FORMS.TEXT HAS 1 DOCUMENT  
NEXT DOCUMENT (#2916) MOVED FROM INBOX.1 TO DESK.2

TEXT:  
VZCZCPH0003

RR HQ WMFO

DE PH #0003 1290342

ZNR UUUUU

R 090329Z MAY 89

FM FBI PHILADELPHIA [REDACTED] (SQ7) (P)

TO DIRECTOR FBI/ROUTINE/

FBI WMFO (58A-WF-0163158)/ROUTINE/

BT

UNCLAS

CITE: //3620//

PASS: FBIHQ FOR SSA [REDACTED] PUBLIC CORRUPTION UNIT.

SUBJECT: [REDACTED]

[REDACTED] UNSUBS: [REDACTED]

[REDACTED] FAC-GSA: OO:PHILADELPHIA.

RE PHILADELPHIA AIRTEL TO BUREAU DATED MARCH 3, 1989, AND  
TELEPHONE CALL FROM PHILADELPHIA SSA [REDACTED] TO FBIHQ  
SSA [REDACTED] ON MAY 5, 1989.

CAPTIONED PHILADELPHIA MATTER IS A JOINT INVESTIGATION  
THE OFFICE OF INSPECTOR GENERAL (OIG), GENERAL SERVICES

58A-WF-0163158-2  
SEARCHED INDEXED  
SERIALIZED FILED

MAY 9 12 34 AM '89

FBI-WASH F.O.

b6  
b7C

b6  
b7C

b6  
b7C

b6  
b7C

*Index  
3  
as references*

*on*  
*John W. [unclear]*

PAGE TWO DE PH 0003 UNCLAS

ADMINISTRATION (GSA), PHILADELPHIA, PENNSYLVANIA CONCERNING THE  
DEFRAUDING OF FEDERAL AGENCIES AND COMMERCIAL CUSTOMERS.

[REDACTED] PRESENTLY LOCATED AT [REDACTED]  
[REDACTED] IS A BUSINESS FORMED  
IN [REDACTED] TO PROVIDE TELECOMMUNICATION SALES AND MAINTENANCE. [REDACTED]  
BEGAN BY PURCHASING A CABLE TELEVISION COMPANY AND LATER ACQUIRED  
[REDACTED] BRANCH OPERATIONS  
DURING [REDACTED] DIVESTITURE. THE PRINCIPAL FINANCIAL BACKERS OF [REDACTED]  
HAVE BEEN [REDACTED]

b6  
b7C

[REDACTED] IN THE WASHINGTON,  
D.C. AREA AND REAL ESTATE DEVELOPER, ALSO INVOLVED WAS [REDACTED]

b6  
b7C

[REDACTED] AND LONGTIME FRIEND AND ASSOCIATE OF  
[REDACTED] THE OFFICERS OF [REDACTED] DURING THE PERIOD OF ALLEGED  
VIOLATIONS WERE [REDACTED]

[REDACTED]  
[REDACTED] WAS A SALESMAN RECRUITED BY  
[REDACTED] TO BE [REDACTED] IS THE  
SON OF [REDACTED] SERVING AS [REDACTED] FROM MAY, 1985, UNTIL  
AUGUST, 1987, WAS [REDACTED]

b6  
b7C

AS PART OF THE CONTINUING JOINT INVESTIGATION, [REDACTED]

b6  
b7C

PAGE THREE DE PH 0003 UNCLAS

[REDACTED] WAS INTERVIEWED ON MAY 3, 1989, BY AN OIG-GSA AGENT AND PHILADELPHIA DIVISION FBI AGENT. DURING THE COURSE OF THE INTERVIEW, [REDACTED] ADVISED AS FOLLOWS:

b6  
b7C

SHORTLY AFTER BEING HIRED AS [REDACTED] [REDACTED] CONDUCTED A COMPLETE REVIEW OF THE [REDACTED] BALANCE SHEET. HE IDENTIFIED [REDACTED] TO [REDACTED] THE CANCELED [REDACTED] CHECK (NAME OF BANK NOT RECALLED) PAYABLE TO, AND ENDORSED BY, [REDACTED] WAS ALSO LOCATED BY [REDACTED] THE CHECK WAS WRITTEN BY [REDACTED] ALTHOUGH [REDACTED] COULD NOT RECALL THE DATE OF THE CHECK, [REDACTED]

b6  
b7C

[REDACTED] AND [REDACTED] HAD ONLY EXISTED APPROXIMATELY ONE YEAR AT THAT TIME. [REDACTED] QUESTIONED [REDACTED]

[REDACTED] ADVISED THAT [REDACTED] CONGRESSMAN JIM WRIGHT OF TEXAS. [REDACTED] HAD VISIONS OF EXPANDING ITS SCOPE OF OPERATIONS. AND [REDACTED] EXPLAINED THE EXPENDITURE COULD BE BENEFICIAL TO [REDACTED] IF [REDACTED] EVER NEEDED TO SPEAK TO WRIGHT ABOUT USING HIS INFLUENCE TO OBTAIN GSA CONTRACTS FOR [REDACTED] IN TEXAS. WHEN [REDACTED] FROM [REDACTED] IN [REDACTED]

b6  
b7C

[REDACTED] WAS UNAWARE OF ANY CONTACTS BETWEEN [REDACTED] EMPLOYEES AND WRIGHT. HE NEVER HEARD [REDACTED] MENTIONED

PAGE FOUR DE PH 0003 UNCLAS

AGAIN AND [ ] NEVER BID ON GSA CONTRACTS COVERING TEXAS.

[ ] COULD NOT PROVIDE ANY INFORMATION ABOUT [ ] EXCEPT HIS  
BELIEF SHE RESIDED IN THE WASHINGTON, D.C. AREA.

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b7c

BT

#0003

NNNN



# Memorandum



To : SAC, WMFO (58A-WF-163158)

Date 5/15/89

From : SSA [redacted]

b6  
b7C

Subject: CONGRESSMAN JAMES WRIGHT (TEXAS)  
SPEAKER OF THE HOUSE OF REPRESENTATIVES  
BRIBERY

Re WMFO airtel to Director 5/2/89.

On 5/9/89, SSA [redacted] had occasion to speak with SSA [redacted], Public Corruption Unit, White Collar Crime Section, at FBIHQ. The nature of this conversation involved SSA [redacted] request to initiate a Full Field Investigation into the activities of Congressman WRIGHT as set forth in the referenced airtel and enclosed LHM. SSA [redacted] related to SSA [redacted] that he believed a full field investigation was warranted in this matter in view of the informant information gathered over the past several years and would like FBIHQ's concurrence in opening this investigation with WMFO as origin in presenting the matter to the United State Attorney's Office in the District of Columbia. SSA [redacted] explained that he viewed the allegations regarding WRIGHT affecting Congressional action on bills as a violation occurring within the District of Columbia and therefore most likely WMFO should be origin and the case presented to the United States Attorney's Office, WDC, who have adopted a very aggressive posture in prosecuting public corruption cases.

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SSA [redacted] stated that FBIHQ had forwarded the information contained in the referenced airtel and LHM to the DEPARTMENT OF JUSTICE and subsequently to the Public Integrity Section along with information received from the Dallas and San Antonio Divisions in Texas.

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At this point the Public Corruption Unit, White Collar Crime Section, has made a decision to forward all information to the Public Integrity Section and await their decision as to what action should be taken with regard to opening an investigative matter regarding Congressman WRIGHT.

SSA [redacted] stated that trial attorney [redacted] Public Integrity Section, was reviewing not only the information from the FBI, but also the report of the Ethics Committee of the Congress with regard to the investigation conducted pertaining to this subject.

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1- WMFO (58A-WF-163158)

FS:smb

(1)

5/24/89  
5/24/89  
584-WF-163158-3  
SEARCHED [initials]  
SERIALIZED [initials]  
MAY 15 1989  
FBI FIELD OFFICE  
[initials]

SSA [ ] stated that attorney [ ] had not been forthcoming in providing a copy of the Ethics Committee Report to the FBI for review and that he and his unit chief, [ ] have scheduled a meeting with [ ] next week to discuss the matter.

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SSA [ ] again pressed for an independent investigation on behalf of the FBI irrespective of what the Public Integrity Section might eventually decide. SSA [ ] pointed out to SSA [ ] that the FBI did not need the approval of the Public Integrity Section to initiate an investigation when information had come to our attention as it had in this matter which if it involved any other person other than Congressman WRIGHT would already have been opened by the SAC, WMFO. SSA [ ] related that "it is because who this person is" that the Bureau is proceeding by having Public Integrity review the information in our possession without opening an independent investigation.

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Again SSA [ ] reiterated the desire of WMFO to initiate a full-field investigation on Congressman WRIGHT irrespective of his position as we have often done so in the past on other congressmen and senators.

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SSA [ ] requested that WMFO hold in abeyance any further action until he and his unit chief met with Attorney [ ] of the Public Integrity Section next week and that there were other considerations involving investigative information from other field offices that would determine if an investigation were opened where the office of origin would be assigned.

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It was pointed out to SSA [ ] that WMFO maintains a cadre of senior experienced agents who are fully competent in dealing with any individual on Capital Hill and have done so in the past and irrespective of the Bureau's decision as to where to assign office of origin he should be assured that we would devote experienced, mature and professional agents to this investigation.

b6  
b7C

This is provided for the information of the file.

-->NEXT TEXT  
FORMS.TEXT HAS 1 DOCUMENT  
NEXT DOCUMENT (#1300). MOVED FROM INBOX.1 TO DESK.3

TEXT:  
VZCZCH00189

PP DL SA WMFO

DE HQ #0189 1440132

ZNR UUUUU

P 241915Z MAY 89

FM DIRECTOR FBI

TO FBI DALLAS/PRIORITY/

FBI SAN ANTONIO/PRIORITY/

FBI WMFO/PRIORITY/

BT

UNCLAS

CITE: 170622//

SUBJECT: JAMES C. WRIGHT, UNITED STATES CONGRESSMAN, TWELFTH

DISTRICT, FORT WORTH, TEXAS; BRIBERY-CONFLICT OF INTEREST;

OO: WMFO.

REFERENCE BUREAU TELCALS TO DALLAS, SAN ANTONIO AND WMFO,  
MAY 23, 1989.

ON MAY 5, 1989, INFORMATION REGARDING UNITED STATES  
CONGRESSMAN JAMES C. WRIGHT, PREVIOUSLY PROVIDED BY THE  
DALLAS, SAN ANTONIO AND WMFO DIVISIONS, WAS PROVIDED TO  
ATTORNEY [REDACTED] PUBLIC INTEGRITY SECTION (PIS), DEPARTMENT

*pull*  
*WF 89-11438*  
*WF 89-11449*  
*WF 89-11449*

UCFN	<input type="checkbox"/> Pos	<input checked="" type="checkbox"/> Neg
GENERAL INDICES		
<input type="checkbox"/> Automated Search	<i>Lyp</i>	
WF: <input type="checkbox"/> Pos	<input checked="" type="checkbox"/> Neg	AX: <input type="checkbox"/> Pos <input type="checkbox"/> Neg
<input type="checkbox"/> Manual Search		
WF: <input type="checkbox"/> Pos	<input type="checkbox"/> Neg	AX: <input type="checkbox"/> Pos <input type="checkbox"/> Neg

*58WF-163158-4*  
*WF 89-11438*  
*WF 89-11449*  
*WF 89-11449*  
SEARCHED *JA* INDEXED *JA*  
SERIALIZED *JA* FILED *JA*  
MAY 25 7 39 AM '89

SSA [REDACTED] [REDACTED]  
[REDACTED] [REDACTED]

PAGE TWO DE HQ 0189 UNCLAS

OF JUSTICE (DOJ), FOR HIS REVIEW IN ORDER TO DETERMINE WHETHER OR NOT AN INVESTIGATION WAS WARRANTED. IT SHOULD BE NOTED, ATTORNEY [ ] WAS IN THE PROCESS OF REVIEWING A REPORT PREPARED BY SPECIAL COUNSEL [ ] FOR THE U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT (ETHICS COMMITTEE).

b6  
b7C

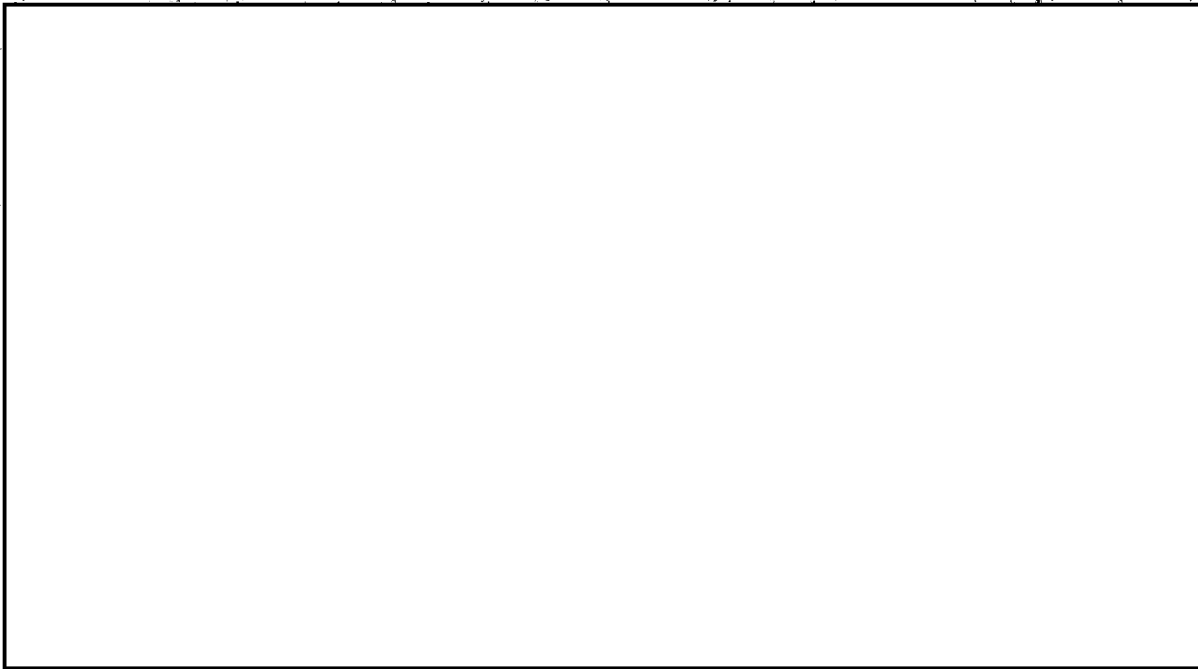
ON MAY 19, 1989, ATTORNEY [ ] PIS, DOJ, WAS CONTACTED FOR HIS PROSECUTIVE OPINION CONCERNING AN INVESTIGATION OF CONGRESSMAN WRIGHT. ATTORNEY [ ] ADVISED THAT IT WAS HIS OPINION [ ]

b5  
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b7C

[ ]  
INVESTIGATION REGARDING THE INFORMATION THAT WAS PREVIOUSLY PROVIDED TO THE BUREAU BY THE RESPECTIVE DIVISIONS.

[ ] ATTORNEY [ ] NOTED THAT [ ]

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ATTORNEY [ ] ADVISED THAT VENUE FOR THIS MATTER WOULD LIE WITHIN THE DISTRICT OF COLUMBIA. THEREFORE, WMFO IS BEING DESIGNATED AS OFFICE OF ORIGIN.

WMFO SHOULD INITIATE THE ABOVE CAPTIONED INVESTIGATION AND PROMPTLY ADVISE FBIHQ, WHITE-COLLAR CRIMES SECTION, PUBLIC CORRUPTION UNIT, OF THE IDENTITY OF THE CASE AGENT IN ORDER THAT A MEETING MAY BE ARRANGED WITH ATTORNEY [ ] TO DISCUSS AND COORDINATE THE CONTEMPLATED INVESTIGATION.

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DALLAS AND SAN ANTONIO DIVISIONS ARE EXPECTED TO HAVE

PAGE FOUR DE HQ 0189 UNCLAS

SUBSTANTIAL INVESTIGATIVE RESPONSIBILITIES ON CAPTIONED MATTER  
AND THEREFORE, WILL BE REQUESTED TO PARTICIPATE IN ALL CRUCIAL  
MEETINGS INVOLVING INVESTIGATIVE STRATEGIES. RECEIVING  
OFFICES SHOULD ENSURE CLOSE COORDINATION AMONG THEMSELVES AND  
WITH FBIHQ.

BT

#0189

NNNN

VZCZCW00040

00 HQ DL SA

DE WM 00040 152134Z

ZNR UUUUU

O 011837Z JUN 89

FM FBI WASHINGTON METROPOLITAN FIELD OFFICE (SSA-WF-163153) (P)

TO DIRECTOR FBI/IMMEDIATE/

FBI DALLAS/IMMEDIATE/

FBI SAN ANTONIO/IMMEDIATE/

BT

UNCLAS

CITE: //3920//

PASS: FBIHQ: SSA [REDACTED] PUBLIC CORRUPTION UNIT.

b6  
b7C

SUBJECT: JAMES C. WRIGHT, UNITED STATES CONGRESSMAN, TWELFTH DISTRICT, FORT WORTH, TEXAS; BRIBERY-CONFLICT OF INTEREST; OO: WMFO.

RE BUREAU TELETYPE, DATED MAY 24, 1989.

ON MAY 31, 1989, A MEETING WAS HELD AT THE PUBLIC INTEGRITY SECTION OF THE UNITED STATES (US) DEPARTMENT OF JUSTICE (DOJ) REGARDING CAPTIONED MATTER. BUREAU REPRESENTATIVES CONFERED WITH

VI 112855

h

PAGE TWO DE WM 0040 UNCLAS

DEPARTMENTAL ATTORNEYS [REDACTED] IN ORDER  
TO OBTAIN A PROSECUTIVE ASSESSMENT OF THE WRIGHT SITUATION.

IT WAS OPINED THAT [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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b5  
b6  
b7C

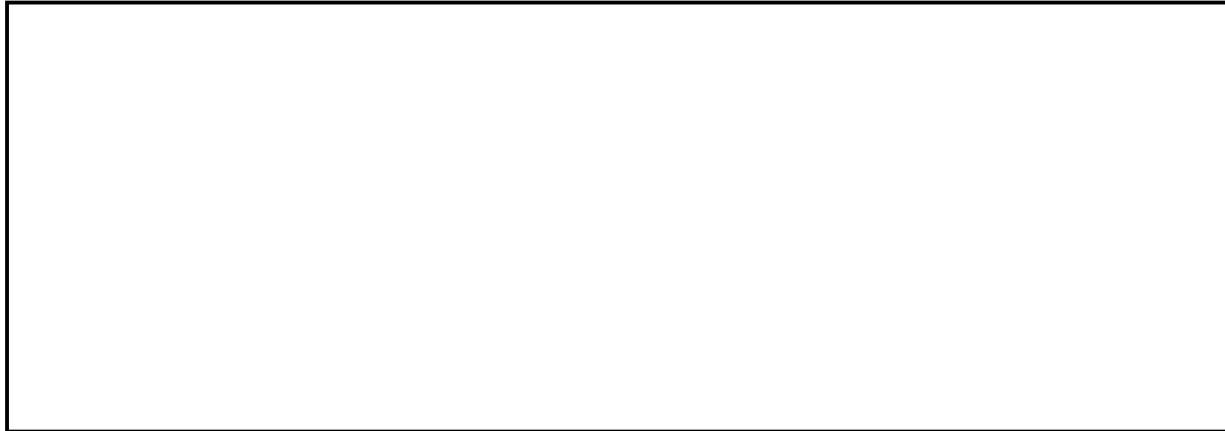
b5  
b6  
b7C

WF-1131

14  
10  
f



PAGE THREE DE WM 0040 UNCLAS



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b6  
b7C

PAGE FOUR DE WM 0040 UNCLAS



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b5



b5



b5

PAGE FIVE DE WM 0040 UNCLAS

b5

WMFO HAS BEEN DESIGNATED OFFICE OF ORIGIN IN THIS MATTER AND IT IS ANTICIPATED THAT A FGJ EMPANELED IN THE DISTRICT OF COLUMBIA (DC) WILL HEAR TESTIMONY IN CONNECTION WITH THE INVESTIGATION.

RECEIVING OFFICES ARE REQUESTED TO PROVIDE WMFO WITH THE RESULTS OF ALL INVESTIGATION CONDUCTED TO DATE TO INCLUDE ANY NEWSPAPER CLIPPINGS AVAILABLE REGARDING WRIGHT, JEWELL ENTERPRISES, THE BOOK SITUATION, OR OTHER MATTERS OF POTENTIAL INTEREST.

WMFO WILL ENDEAVOR TO OBTAIN COPIES OF THE PHELAN REPORT, "REFLECTIONS OF A PUBLIC MAN", AND NEWSPAPER ARTICLES AVAILABLE THROUGH THE SERVICES SUBSCRIBED TO BY FBIHQ.

IT IS ANTICIPATED THAT WITHIN THE NEXT SEVERAL WEEKS. THE

PAGE SIX DE WM 0040 UNCLAS

INVESTIGATIVE DEMANDS OF THIS CASE WILL BE SUBSTANTIAL AND  
RECEIVING OFFICES SHOULD PLAN TO PROVIDE SUFFICIENT STAFFING TO  
ASSURE THE TIMELY HANDLING OF THIS VERY SENSITIVE, VISIBLE  
INVESTIGATION.

BT

WM0040

NNNN

Best Copy Available

67

-->NEXT TEXT  
FORMS.TEXT HAS 1 DOCUMENT  
NEXT DOCUMENT (#4142) MOVED FROM INBOX.1 TO DESK.9

TEXT:

VZCZCHQ0103

PP AFO

DE HQ #0103 1360 49

ZNR UUUUU

P 161500Z MAY 89

FM DIRECTOR FBI

TO ALL FBI FIELD OFFICES (58-00)/PRIORITY/

BT

UNCLAS

CITE: //0622//

PASS: PERSONAL ATTENTION ALL SACS.

SUBJECT: JAMES C. WRIGHT, UNITED STATES CONGRESSMAN, TWELFTH  
DISTRICT, FORT WORTH, TEXAS: INFORMATION CONCERNING.

THE FOLLOWING INFORMATION IS BEING PROVIDED TO ALL  
OFFICES IN VIEW OF THE EXTENSIVE MEDIA ATTENTION AND  
CONGRESSIONAL ACTION DIRECTED AT THE ACTIVITIES OF THE SPEAKER  
OF THE UNITED STATES HOUSE OF REPRESENTATIVES. JAMES C.  
WRIGHT.

SOME FBI OFFICES HAVE BEEN CONTACTED BY INDIVIDUALS WHO  
HAVE PROVIDED INFORMATION CONCERNING CONGRESSMAN WRIGHT. THE  
INFORMATION WAS SUBSEQUENTLY PROVIDED TO FBIHQ AND.

Waiting  
for  
other coms.  
no ser # on  
other

MAY 17 1989

PAGE TWO DE HQ 0103 UNCLAS

7  
THEREAFTER, DISSEMINATED TO THE DEPARTMENT OF JUSTICE (DOJ),

PUBLIC INTEGRITY SECTION (PIS). THE DOJ/PIS IS CURRENTLY  
REVIEWING THAT MATERIAL, ALONG WITH OTHER MATERIALS, IN ORDER  
TO DETERMINE WHETHER OR NOT ADEQUATE PREDICATION EXISTS TO  
INITIATE AN INVESTIGATION.

SHOULD ANY OFFICE BE CONTACTED BY ANY INDIVIDUAL WANTING  
TO PROVIDE INFORMATION BEARING UPON A POSSIBLE CRIMINAL  
VIOLATION CONCERNING CONGRESSMAN WRIGHT, THE OFFICE SHOULD  
ACCEPT THE INFORMATION AND EXPEDITIOUSLY PROVIDE THE  
INFORMATION TO FBIHQ, CRIMINAL INVESTIGATIVE DIVISION, WHITE-  
COLLAR CRIMES SECTION, PUBLIC CORRUPTION UNIT (PCU). NO  
INVESTIGATION SHOULD BE CONDUCTED BY ANY FIELD OFFICE  
CONCERNING THE INFORMATION WITHOUT PRIOR FBIHQ APPROVAL.

ANY OFFICE POSSESSING INFORMATION CONCERNING CONGRESSMAN  
WRIGHT, NOT PREVIOUSLY PROVIDED TO FBIHQ, SHOULD EXPEDITIOUSLY  
PROVIDE THE INFORMATION TO THE PCU.

BT

#0103

NNNN

58-C-163158  
H1 H1

C-2

INBOX.2 (#2782)

TEXT:

VZCZCSA0002

PP WMFO

DE SA #0002 1582009

ZNR UUUUU

P 071955Z JUN 89

FM FBI SAN ANTONIO (58C-WF-163158) (RUC)

TO WMFO/PRIORITY/

BT

UNCLAS

CITE: //3770//

SUBJECT: JAMES C. WRIGHT, UNITED STATES CONGRESSMAN, 12TH  
DISTRICT, FORT WORTH, TEXAS; BRIBERY/COI: OO: WMFO.

RE WMFO TELETYPE TO SAN ANTONIO DATED JUNE 1, 1989.

RESULTS OF ALL INVESTIGATION CONDUCTED IN CAPTIONED MATTER  
IN THE SAN ANTONIO DIVISION, CONSISTING MAINLY OF NEWSPAPER  
CLIPPINGS, ARE BEING FORWARDED TO WMFO UNDER SEPARATE COVER.

BT

#0002

92A- WF-163158-77  
SERIAL 02

JUN 7

6

50

PM

89

NNNN

TRANSMIT VIA: AIRTEL

CLASSIFICATION: \_\_\_\_\_

DATE: 6/8/89

FROM: Director, FBI

✓ TO: SAC, WMFO (58-WF-163158) (P)  
Attention: SSA [REDACTED]JAMES C. WRIGHT, U.S. CONGRESSMAN,  
TWELFTH DISTRICT, FORT WORTH,  
TEXAS; BRIBERY-CONFLICT OF  
INTEREST; CONSPIRACY; OO: WMFOb6  
b7C

Enclosed is one copy each of Ethics in Government Act - Financial Disclosure Statements for 1981 through 1983 and 1985 through 1987 as filed with U.S. House of Representatives, Committee on Standards of Official Conduct, concerning U.S. Congressman James C. Wright.

These records are a matter of public source information and are maintained by the Clerk of the House of Representatives, Committee on Standards of Official Conduct, Office of Records and Registration, Room 1036, Longworth House Office Building, Washington, D.C., telephone number (202) 225-1300. For you information the Office of Congressional and Public Affairs, FBIHQ, maintains copies of these filings for all members of the U.S. House of Representatives and, therefore, no inquiry with the Clerk of the House of Representatives was required to obtain these records. No filings for calendar year 1984 could be located within records maintained by FBIHQ.

Since filing for the year 1988 did not occur until 5/15/89, FBIHQ does not anticipate receiving copies regarding the 1988 year until approximately July, 1989. Copies of the enclosed documents have also been forwarded to [REDACTED] Deputy Chief, Criminal Division, Department of Justice (DOJ) as of 6/8/89. Additionally, on 6/6/89, Senior Trial Counsel [REDACTED] Federal Programs Branch, Civil Division, DOJ, was referred to the Public Corruption Unit, Criminal Investigative Division, FBIHQ, by Deputy Chief [REDACTED] Public Integrity Section, Criminal Division, DOJ. [REDACTED] advised that his office had initiated a preliminary inquiry concerning U.S. Congressman James C. Wright regarding possible violations of the civil provisions of the Ethics in Government Act, and requested copies of Congressman Wright's financial disclosure statements from 1979 through 1988. On 6/8/89, copies of the enclosed documents were provided to [REDACTED] Release of this information coordinating with Deputy Chief [REDACTED] PIS, DOJ.

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b7C

Enclosures (6)

58-WF-163158-8

M P

(w/enclosures)

b6  
FBI/DOJ b7C



AIRTEL

6/8/89

Director, FBI

SAC, WMFO (58-WF-163158) (P)  
Attention: SSA [REDACTED]

JAMES C. WRIGHT, U.S. CONGRESSMAN,  
TWELFTH DISTRICT, FORT WORTH,  
TEXAS; BRIBERY-CONFLICT OF  
INTEREST; CONSPIRACY; OO: WMFO

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Enclosures (6)

58-WF-163158-8

SEARCHED	INDEXED
SERIALIZED	FILED
JUN 14 1989	
FBI - WASHINGTON	

b6  
b7C

b6  
b7C

FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☐ UNCLAS

Date 6/8/89

1 TO: SAC, WMFO  
 2  
 3 FROM: SAC, SAN ANTONIO (58C-WF-163158) (Ruc)  
 4  
 5 JAMES C. WRIGHT,  
 6 U.S. CONGRESSMAN,  
 7 12TH DISTRICT,  
 8 FORT WORTH, TEXAS;  
 9 BRIBERY - CONFLICT OF INTEREST;  
 10 OO: WMFO  
 11

12 Re WMFO teletype to San Antonio, dated 6/1/89,  
 13 and San Antonio teletype to WMFO, dated 6/7/89.

14 Enclosed for WMFO are fifty (50) serials which  
 15 represents San Antonio's investigative product concerning  
 16 captioned matter.  
 17

18 2 - WMFO (Enc. 50) (e)  
 19 2 - San Antonio  
 20 RJS:rar  
 21 (4)

UCFN ☐ Pos ☐ Neg  
 GENERAL INDICES:  
☐ Automated Search  
 WF: ☐ Pos ☐ Neg AX: ☐ Pos ☐ Neg  
☐ Manual Search  
 WF: ☐ Pos ☐ Neg AX: ☐ Pos ☐ Neg

Approved: CPM

Transmitted

(Number)

(Time)

Per

58-WF-163158-9  
GPO : 1987 0 - 193-749b6  
b7c

FBI

## TRANSMIT VIA:

☒ Teletype  
☐ Facsimile  
☐ \_\_\_\_\_

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☒ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☒ UNCLAS
Date 5/24/89

1 FM FBI SAN ANTONIO (58-0-150)

2 TO DIRECTOR FBI/ROUTINE/

3 INFO FBI DALLAS/ROUTINE/

4 BT

5 UNCLAS

6 CITE: //3770//

7 PASS: SSA [REDACTED] PUBLIC CORRUPTION UNIT.

9 SUBJECT: JAMES C. WRIGHT, SR., AKA JIM, UNITED STATES

10 REPRESENTATIVE (D-TX); ET AL; POSSIBLE BRIBERY/COI.

11 RE MAY 24, 1989 TELCAL BETWEEN PUBLIC CORRUPTION UNIT CHIEF

12 [REDACTED] AND SAN ANTONIO SSA [REDACTED]

13 FOR THE INFORMATION OF THE BUREAU, AND PER THE REFERENCED

14 TELCAL, ON MAY 16, 1989, [REDACTED]

15 [REDACTED]

16 TELEPHONICALLY REPORTED TO THE SAN ANTONIO COMPLAINT AGENT

19 ① SA

20 MK: mms

21 (1)

SAC WJ  
 ASAC WJ  
 FYI.

58C-WF-163158-55

Approved: CP/mms

Transmitted

(Number)

(Time)

Per lanSearched ADSerialized ADIndexed ADFiled AD

B02

MMS002W.144

58-0-150 (000)

^PAGE TWO (SA 58-0-150) UNCLAS

[REDACTED]

SAN ANTONIO INDICES REFLECT A REFERENCE TO JEWELL IN  
CONNECTION WITH THE ABOVE-CAPTIONED MATTER AS A QUESTIONED  
INVESTMENT OF SPEAKER JIM WRIGHT. SAN ANTONIO INDICES NEGATIVE  
CONCERNING [REDACTED] ALTHOUGH THE TEXAS ATTORNEY GENERAL'S OFFICE  
HAS RELATED THAT [REDACTED]

b6  
b7C  
b7D

[REDACTED]

ACCORDING TO [REDACTED]

[REDACTED]

b6  
b7C  
b7D

ASSISTANT ATTORNEY GENERAL [REDACTED] AUSTIN, TEXAS, HAS  
ADVISED THIS OFFICE THAT THE TEXAS ATTORNEY GENERAL'S OFFICE HAS  
BEEN INVESTIGATING JEWELL ENTERPRISES. ACCORDING TO [REDACTED] THE  
PRINCIPALS OF JEWELL HAVE EXHIBITED A PATTERN OF FORMING  
CORPORATIONS, AMASSING LARGE CORPORATE DEBT, DECLARING  
BANKRUPTCY, AND THEN STARTING THE PROCESS OVER WITH A NEW

b6  
b7C

1.  
^PAGE THREE (SA 58-0-150) UNCLAS  
CORPORATION.

PER REFERENCED TELCAL, SAN ANTONIO WILL CONDUCT NO  
INVESTIGATION INTO THESE ALLEGATIONS, BUT WILL HOLD ALL  
INVESTIGATION IN ABEYANCE PENDING INSTRUCTIONS FROM FBIHQ.  
BT

NOTE: Hand print names legibly; handwriting satisfactory for remainder.

Indices: ☐ Negative ☐ See below

Subject's name and aliases

58-0-1501

Character of case

Complainant ☐ Protect Source

Complaint received

☐ Personal ☒ Telephonic

Date 5-16-89

Time 8<sup>30</sup> Am

Address of subject

Complainant's address and telephone number

Subject's  
Description

Race

Sex

Height

Hair

Build

Birth date and Birthplace

Age

☐ Male

☐ Female

Weight

Eyes

Complexion

Social Security Number

Scars, marks or other data

Facts of complaint

alleges that

referred this office to Assistant State Attorney General  
TEXAS Attorney General's Office, Austin, Texas

has been investigating JEWELL ENTERPRISES and stated she is  
willing to help our office in any way she can. She alleged the  
numerous principals of JEWELL have formed and dissolved a number  
of corporations and have evidenced a pattern of amassing large  
corporate debt, then declaring bankruptcy and defaulting on the loans.

stated

seems to be the

and has for several

Per 5/24/89 teletype w/ PCU Chief  
(see T/T), no invest will be conducted  
on this at this time until advised

Action Recommended

by FBIHQ.

SA

(Agent)

Do not write in this space

SEARCHED ☒ INDEXED ☒  
SERIALIZED ☒ FILED ☒

MAY 16 1989

FBI - SAN ANTONIO

BLOCK STAMP

58C-WF-163158-53

RECEIVED

MAY 17 5 33 PM '89

INBOX.4 (#1049)

TEXT:

VZCZOR00103

PP AFD

DE HQ #0103 1360149

ZNR UUUUU

P 161500Z MAY 89

FM DIRECTOR FBI

TO ALL FBI FIELD OFFICES (58-00)/PRIORITY/

BT

UNCLAS

CITE: //0622//

PASS: PERSONAL ATTENTION ALL SACS.

SUBJECT: JAMES C. WRIGHT, UNITED STATES CONGRESSMAN, TWELFTH DISTRICT, FORT WORTH, TEXAS; INFORMATION CONCERNING.

THE FOLLOWING INFORMATION IS BEING PROVIDED TO ALL OFFICES IN VIEW OF THE EXTENSIVE MEDIA ATTENTION AND CONGRESSIONAL ACTION DIRECTED AT THE ACTIVITIES OF THE SPEAKER OF THE UNITED STATES HOUSE OF REPRESENTATIVES, JAMES C. WRIGHT.

SOME FBI OFFICES HAVE BEEN CONTACTED BY INDIVIDUALS WHO HAVE PROVIDED INFORMATION CONCERNING CONGRESSMAN WRIGHT. THIS INFORMATION WAS SUBSEQUENTLY PROVIDED TO FBIHQ AND,

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58-00-150-152

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FBI - SAN ANTONIO	

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2) #6

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ANY OFFICE POSSESSING INFORMATION CONCERNING CONGRESSMAN WRIGHT, NOT PREVIOUSLY PROVIDED TO FBIHQ, SHOULD EXPEDITIOUSLY PROVIDE THE INFORMATION TO THE PCU.

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(Indicate page, name of newspaper, city and state.)

Express-News A-4

Date: 5/5/89  
Edition: Final

Title: Query raised on Wright's shares in nursing home

Character:  
or  
Classification: 58-0  
Submitting Office: San Antonio

Indexing:

## Query raised on Wright's shares in nursing home

New York Times Service

WASHINGTON — House Speaker Jim Wright received payments of at least \$22,000 from a \$100,000 investment in a Texas nursing home business at a time when the company was in financial trouble and many other shareholders were seeking unsuccessfully to obtain such payments, according to documents and people involved with the company.

Some of these investors now claim Wright received favored treatment and that his relationship with the company was, at least in part, based on his political position. At the time, Wright was House majority leader.

The business arrangement with the private Texas company, Jewell Enterprises, Inc., of Arlington, was not part of the complaint investigated by the House ethics committee, but his relationship with the company had a number of unusual aspects.

Moreover, the Jewell investment is part of a pattern in which Texas businessmen have offered Wright unique, but not illegal, investment opportunities. What these arrangements seem to have in common is that Wright's political position, not his wealth or financial experience, drew the businessmen to him.

The investment turned out to be worthless, creating some of the fi-

nancial insecurities that were only resolved last year after Wright's business partner arranged a lucrative oil deal for the speaker's blind trust. The oil venture is still under investigation by the House ethics committee.

The only other investor who received payment was a friend of Wright's who recommended the investment to him, according to interviews with 20 of the 27 people who invested with Wright and their attorneys.

Wright's investment in the company in 1983 proved costly. The company filed for protection under federal bankruptcy laws in 1985, and later began liquidation; he ultimately had to return \$13,600 to a trustee for the company. Wright lost most of his \$100,000 investment, but it is not known exactly how much because bank records of the transaction are unavailable.

Wright's \$100,000 investment was made entirely with money borrowed from the American Bank in Arlington, which had close financial ties to Jewell. In addition, the stock purchase was contrary to Wright's stated investment philosophy of limiting speculative investments to \$20,000 and avoiding bank loans to finance stock purchases. Finally, Wright may not have adequately reported all the payments he received from Jewell.

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MAY 5 1989

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Express-News A-2

Date: 5/5/89  
Edition: Final

Title: S.A. businessman Jaffe Jr. to testify at Wright hearing

Character:  
or  
Classification: 58-0  
Submitting Office: San Antonio

Indexing:

# S.A. businessman Jaffe Jr. to testify at Wright hearing

By MARK SMITH  
Express-News Washington Bureau

WASHINGTON — San Antonio businessman M.D. "Doug" Jaffe Jr. is scheduled to testify Friday in the third day of House ethics committee hearings into an oil deal that netted House Speaker Jim Wright, D-Fort Worth, a quick \$170,000 last year.

Jaffe's father, Morris D. Jaffe Sr., also may be asked additional questions Friday. He testified Wednesday before the committee on an oil well deal brokered by Jaffe Energy Inc., committee members said.

The venture, known as the "Sabine Lake" project, resulted in a profit of nearly \$170,000 to Wright's blind trust even though the well was not productive.

Meanwhile, charges against Wright will probably go to trial before the House ethics committee by "mid- to late May" and will take seven to 10 days, committee chairman Julian Dixon, D-Calif., said Thursday.

Dixon added said the disciplinary hearing "may take longer, or may take shorter."

The hearing, the trial-like preceding at which the panel decides whether 69 ethics charges against Wright

have been proved, will begin with a presentation of witnesses and other evidence by the committee's special outside counsel, Richard Phelan.

Wright, who has asked for a speedy hearing, would then have a chance to have his lawyer offer rebuttal evidence and bring the speaker to the stand for a personal defense.

The committee, which issued ethics charges April 17 against Wright, continued Thursday in the second day of closed-door hearings into the Sabine Lake project to see if Wright may be charged with additional ethics violations.

Doug Jaffe's bookkeeper, Maryln Cherry and San Antonio consultant and geologist Jeff Pestridge both completed some five and four hours of testimony, respectively, before the committee Thursday.

U.S. Rep. John Myers, R-Ind. and ranking committee Republican, said said some of the testimony "raises questions."

When asked if he was "satisfied" with the testimony, Myers said, "Not at this point."

Dixon said long answers had caused him to extend the planned two-day hearings to three days.

58-0-150 (77)

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(Indicate page, name of newspaper, city and state.)

San Antonio Light A-2

Date: 5/5/89  
Edition: Sports Final

Title: Ethics committee  
still questions Wright  
oil deal

Character:  
or  
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Submitting Office: San Antonio

Indexing:

# Ethics committee still questions Wright oil deal

By JIM MICHAELS  
Staff reporter

WASHINGTON - Despite two days of testimony from San Antonio executives familiar with an oil deal that benefited House Speaker Jim Wright, members of the House ethics panel say unanswered questions still remain.

The testimony from San Antonio businessman Morris D. Jaffe and two business associates has apparently not yet convinced members that it was a normal business transaction.

That could prove damaging for Wright since the Jaffe deal remains the last matter to be looked at before disciplinary proceedings involving Wright begin.

Ethics committee Chairman Julian Dixon said he expects the proceedings, in which the panel decides whether the 69 ethics charges against Wright have been proved, to begin late this month and will take seven to 10 days to complete.

"We're being enlightened as to the facts," Dixon said Thursday, as the panel neared completing its second day of closed-door testimony with Jaffe. "But I don't know about being satisfied."

"I did not initially have an impression (of the deal)," Dixon said. "I am now forming an impression."

Dixon, D-Calif., declined to comment on what that impression is.

The committee's ranking Republican, U.S. Rep. John Myers, said he, too, still has questions about the deal.

The only one able to answer those questions now is Morris' son, Doug, the key witness in the questionable oil well deal that the committee is investigating.

The younger Jaffe, who personally handled the deal is expected to appear today for questioning in the closed door proceeding.

The committee initially had expected to finish the hearing Thursday, but lengthy questioning from committee staff required another day.

"It's taking more time than originally anticipated," Dixon said.

Thursday, the panel heard from Jeff Prestridge, a geologist; Maryln Cherry, a bookkeeper; and Dave Myers, a Jaffe business associate who owned the rig used to drill the well.

The elder Jaffe answered questions Wednesday.

The Jaffes, who reportedly are friends of Wright, brokered a deal that netted Wright's blind trust nearly \$350,000 from a share in a well that has not produced anything.

According to a report by Special Counsel Richard Phelan, Doug Jaffe last year sold a share in the North Sabine Lake Prospect in Orange County to Mallightco, a holding company half-owned by Wright.

The share was bought back at a substantial profit by a company controlled by several West Germans who are longtime business partners of the younger Jaffe's.

AP and UPI contributed to this report.

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15- (112)

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FBI — SAN ANTONIO	

# House panel grills Jaffe on Wright oil deal

(Indicate page, name of newspaper, city and state)

San Antonio Light A-1 &amp; 12

Date: 5/4/89

Edition: Sports Final

Title: House panel grills Jaffe on Wright oil deal

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or

Classification: 58-0

Submitting Office: San Antonio

Indexing

**JOHN MICHAELS**  
Staff reporter

WASHINGTON - After initially snubbing the House ethics panel, San Antonio businessman Morris D. Jaffe appeared before the panel Wednesday, providing more than five hours of testimony about a business deal that benefitted House Speaker Jim Wright.

At the end of the all-day session,

## More on Wright case/Page A10

which was closed to the public and media, the panel's ranking Republican, U.S. Rep. John Myers, said questions remained unanswered.

"There are still a lot of unresolved questions," the Indiana congressman said.

Jaffe's son, Doug, was expected to appear before the panel today. The

younger Jaffe reportedly brokered the oil and gas exploration deal and is most knowledgeable about its mechanics. His father is more familiar with the family's political connections, which date to his association with Lyndon Johnson.

The senior Jaffe, who owns Central Park Mall, emerged from Wednesday's session looking tired, and was hustled out of the Capitol by his attorneys after issuing a short statement and allowing

photographers to snap photographs.

"I've been before the committee ... to try and straighten out the questions on Sabine Lake, which I intend to do to the best of my ability," Jaffe said.

The ethics committee is investigating the sale of a share in an oil well property called the North Sabine Lake Prospect in Orange County. The sale last year produced a large profit for

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58C-150 (24)

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FBI — SAN ANTONIO	

# JAFFE: 5 hours discussing deal

JAFFE/from A1  
Wright's blind trust, but produced little oil or gas.

The Jaffes, wealthy entrepreneurs who are generous benefactors of Democratic politicians and causes, reportedly are friends of Wright.

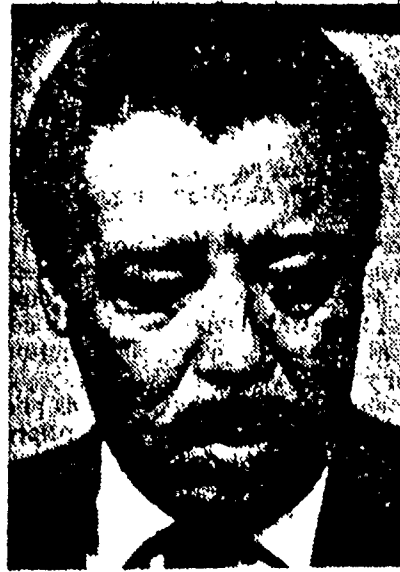
After the elder Jaffe provided testimony, the committee began late Wednesday afternoon hearing from Jeff Prestridge, a longtime business associate of the Jaffes who was the consulting geologist on the Sabine Lake deal.

Before the younger Jaffe's appearance today, the panel also was expected to hear from Maryln Cherry, a bookkeeper for the Jaffes' oil and gas operations, and Dave Myers, owner of the "Big John Rig" used to drill the Sabine Lake Prospect.

Committee Chairman Julian Dixon, a California Democrat, would not comment on the substance of Wednesday's testimony, but said he was at least satisfied the Jaffes appeared despite their earlier refusals.

Asked if the Jaffes were being cooperative, Dixon said, "They're here and they are testifying. It's too early to make a judgment about the quality of the information."

The Jaffes and the three other witnesses with knowledge of the Sa-



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*They're here and they are testifying. It's too early to make a judgment about the quality of the information.*

— REP. JULIAN DIXON  
Of Morris and Doug Jaffe

22

bine Lake venture defied committee subpoenas and did not appear when the panel traveled to San Antonio last week.

Dixon had called the snub "an affront to Congress" and hinted the Jaffes would be cited for contempt if they did not appear Wednesday.

Dixon said the committee's investigation into the Jaffe deal is slowing down the disciplinary hearing, the next step in the Wright probe.

In not appearing for the San An-

tonio meeting, the attorneys for the Jaffes argued the committee had overstepped its bounds by investigating the Sabine Lake venture, which was not one of six matters the panel originally was chartered to investigate.

The Jaffes' lead attorney, Stanley Brand, would not comment Wednesday as he walked out of the committee room with Jaffe.

Brand, who has close ties to Democratic politicians, was an aide to former House Speaker Thomas

"Tip" O'Neill, and formerly was counsel to the clerk of the House.

Depending on the outcome of the panel's current hearings into the Sabine Lake deal, more charges could be added to the 69 violations of House rules currently pending against the speaker.

The Sabine Lake deal first came to light in a report issued last month by Special Counsel Richard Phelan, who investigated allegations against Wright.

The report said that last year, Wright's holding company, Mallightco, bought from the younger Jaffe a 4 percent stake in Sabine Lake for \$9,120, plus a share of drilling costs.

The report said Mallightco sold the well on the same day it was bought to a group of West German investors, who are long time associates of the Jaffes and have invested in some of their aircraft businesses.

The sale resulted in a profit of nearly \$350,000 for Mallightco. The speaker held a 50 percent interest in Mallightco.

Wright has said he knew nothing of the deal and the Jaffes have denied, through their attorney, knowing that the share was going to Mallightco.

Brand has also disputed the deal took place in one day.

(Mount Clipping in Space Below)

# S&L meeting questioned

By PEGGY ROBERSON  
Washington bureau

WASHINGTON - A crucial meeting between House Speaker Jim Wright and federal savings and loan regulators was incorrectly described by the lawyer for the ethics panel that investigated Wright, according to an author here who attended the session.

In an article Sunday in the Washington Post and in a subsequent interview with Hearst Newspapers, the author, John Barry, said Richard Phelan's description of the meeting has caused him to question the accuracy of other parts of the special counsel's report.

Phelan's report was the basis for charges against Wright by the House Committee on Standards of Official Conduct.

However, the House ethics panel ultimately voted 8-4 not to charge Wright with any rules violations related to the meeting.

Officials of the Federal Home Loan Bank Board met with Wright in his office on Feb. 10, 1987. Barry said he sat quietly in a corner during the session and took notes for a book he is writing on Wright's exercise of power in the 100th Congress.

In his report, Phelan said that Wright violated House ethics rules during the meeting by attempting to exert "undue influence" to help Thomas Gauthier, a Democratic fund-raiser who had been removed as the head of a financially crippled savings and loan association in Irving. The S&L had been taken over by the Federal Home Loan Bank Board.

(Indicate page, name of newspaper, city and state)

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Edition Metro

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# Report mum on bad deal by Wright

Boston Globe

WASHINGTON - Nowhere in the exhaustive 279-page ethics committee counsel's report on Speaker Jim Wright is any mention of his worst financial gamble of the past decade - borrowing \$100,000 to invest in a firm that went bankrupt.

Not only did Wright lose every penny of his loan, but he also had to repay \$13,500 in what Wright's attorney has described as company "dividends."

One of the questions about the venture is why Wright received any dividends when at least two of the other 30 or so investors in the closely held company received none.

A Wright spokesman said Monday night the dividends were actually a "loan against future profits."

An examination of the deal has revealed that Wright borrowed all of the money for the stock purchase and then used all of the stock as collateral on the loan.

The president of the company in which Wright invested, T.R. Jewell of Jewell Enterprises, was a director at the bank that lent Wright the \$100,000. Jewell's bankruptcy made the stock worthless, but the loan still had to be repaid.

The failure of the nursing home investment would help explain why Wright got into several other financial dealings that now are the focus of the investigation by the House Committee on Standards of Official Conduct.

He did not pay off his bad loan until last June, using some of his much-publicized \$340,000 profit from a later oil-well deal that has been called into question.

Several investors said they believed that Wright's longtime friend Joseph Kearby, who in 1984 contributed \$1,000 to one of Wright's campaign committees, convinced Wright to invest in Jewell Enterprises.

Wright went to the American Bank of Arlington to borrow \$100,000 to invest in Jewell's company. According to Texas banking records, Jewell was a director of the bank at the time.

Regulators said such a potential dual interest in a loan is legal and that directors often are asked to bring in such business.

(Indicate page, name of newspaper, city and state.)

San Antonio Light B-2

Date: 5/4/89

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Express-News A-16

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Indexing

# SWT speech linked to book sale charges

By **BILL HENDRICKS**  
Express-News Staff Writer

House Speaker Jim Wright used a \$3,000 payment for making a speech at Southwest Texas State University to buy copies of his own book as part of a scheme to evade limits on outside income, the House ethics committee said it "has reason to believe."

The book purchase — made after the Oct. 16, 1984, speech at the school's San Marcos campus — was one of 69 instances in which the politically powerful lawmaker may have violated rules of congressional conduct, the 12-member Committee on Standards of Official Conduct reported.

Wright spokesman Mark Johnson did not return two calls an Express-News reporter made Wednesday to the speaker's Washington, D.C., office.

However, Wright has repeatedly

denied breaking any House ethics rules.

The committee report, issued last month, cited two areas in which it found Wright, D-Fort Worth, may have skirted House limits on income earned outside the about \$108,000 annual salary paid the speaker.

One of those areas was sales of the Wright book "Reflections of a Public Man," a collection of the speaker's thoughts about serving in public office.

Attorney Richard Phelan, the committee's outside counsel, charged the arrangement Wright made to publish and sell the book was a scheme to claim as book royalties what was actually money paid for making speeches.

The \$3,000 payment made to Wright after he spoke at the San Marcos school was among examples cited in the committee report.

University spokeswoman Pat Murdock said Wednesday that



House Speaker Jim Wright gave speech at SWTSU on Oct. 16, 1984.

Wright accepted an invitation to speak in conjunction with the school's LBJ Lecture Series.

The school drafted a \$3,000 check to Wright on Oct. 12, 1984.

After Wright made the speech four days later, the check was transmitted to him.



### **Paid directly**

Murdock said such fees are usually paid directly after a speech is delivered.

However, she said, Wright's staff has said the check was mailed to him.

In any case, Murdock said, a Wright staffer later contacted school officials and informed them that the fee was being used to buy copies of the book for the school.

Afterward, the school received a shipment of 504 copies of the Wright book.

One of the books was placed in the university library and the other were distributed to students.

Carlos Moore, whose Fort Worth printing company published and sold the books under a contract with Wright, said Wednesday in a telephone interview that the book deal involving the San Marcos school went this way:

A Wright staff member called him and asked if Moore could provide \$3,000 in Wright books to the school.

Moore said he could.

Wright's office sent him a \$3,000 check. He did not recall whether the check he received was the original check drafted by the university or another check.

Moore then shipped books to the San Marcos school.

Wright got a 55 percent royalty on the transaction, as set out in the publishing contract, Moore said.

Moore, whose association with the speaker goes back more than 40 years to the time Wright was a member of the Texas House of Representatives, charged lawyer Phelan with attempting to use a legitimate book sales arrangement as part of a political attack on the speaker.

"This is a one-man war, really, against Jim Wright," Moore said, adding, "It's a political game with (Phelan)."

According to House rules, members cannot accept speaking fees totaling more than 30 percent of their annual congressional salary.

And rules place a \$2,000 limit on the amount they may accept for a single speech.

But the rules make an exception for book royalties.

Moore said Wright informed SWTSU officials from the beginning that he could not accept the \$3,000 speaking fee.

He said Wright told the school that he was already near his limit on outside income and could not accept more than \$2,000 in any case.

### **Publishing venture**

Moore said he originated the book publishing venture with Wright.

"I was the one who brought it up to him," Moore said, adding, "I asked him about it — been trying for two or three years to get him to let me publish a book for him."

"He needed it. People needed to know something about him because he was about to be speaker."

"I looked upon it as a way to make money. I believe in our country. I believe in the free enterprise system."

He and Wright signed a publishing contract that called for Moore to receive \$2.70 and Wright \$3.25 for each book sold, Moore said.

In transactions where books were sold wholesale to book stores, Moore said, Wright got \$1 each and Moore \$2.

"That's one reason I tried to stay away from the book stores," Moore said.

A year ago, when the book venture came under committee investigation, Moore said he postponed printing another edition of the Wright book at the speaker's request.

(Mount Clipping in Space Below)

# Jaffe testifies on well, Wright

By MARK SMITH  
Express-News Washington Bureau

WASHINGTON — San Antonio businessman Morris D. Jaffe Sr. testified for more than six hours Wednesday before the House ethics committee, which is investigating an oil deal that benefited House Speaker Jim Wright, D-Fort Worth.

Neither Jaffe nor members of the panel would discuss the substance of his testimony. He was the first of five witnesses associated with the deal who are expected to testify before the 12-member ethics panel as it continues to investigate the transaction.

Although Jaffe said he tried to "straighten out the questions" Wednesday, an ethics panel member said questions "still remain" about an oil

well deal brokered by Jaffe Energy Inc.

The venture, known to the panel as the "Sabine Lake" project, resulted in a profit of nearly \$150,000 to Wright's blind trust, even though the well was not productive.

"I just appeared before the committee on standards to try to

straighten out the questions on Sabine Lake, which I attempted to do to the best of my ability," Jaffe said in a prepared statement to the press following his testimony. "I appreciate the opportunity to come here."

Jaffe declined further comments and was whisked away by his lawyers. He began his testimony at 10 a.m. in the committee's meeting room, located in the Capitol's base-

ment, and he concluded shortly after 5 p.m.

Jaffe will remain in Washington through Thursday and may be asked further questions, according to House panel members and Abbe Lowell, one of Jaffe's two lawyers at the closed-door hearing.

The House ethics committee also has subpoenaed Jaffe's son, M.D.

(Indicate page, name of newspaper, city and state.)

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Wright

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Indexing

"Doug" Jaffe Jr., to testify Thursday.

Jeff Prestridge, a geologist who received a subpoena, also testified before the House panel late Wednesday, but declined to comment on reporters' questions before entering the hearing.

Also expected to testify during the two days of hearings are Dave Myers, an investor colleague of the Jaffes, and Marilyn Cherry, a bookkeeper.

The Jaffes, along with the other witnesses, failed to honor a subpoena April 25 to appear before the House ethics panel in San Antonio, which then caused U.S. Rep. John Myers, R-Ind., to claim that the panel "had wasted our time coming down here."

On Wednesday, however, Myers called the Jaffes' unwillingness to testify "a minor inconvenience" that "cost us three or four days."

Myers and other House ethics panel members said they were pleased Morris Jaffe honored his

subpoena and testified, which would help the panel move forward on a more than 10-month investigation into alleged ethics violations by Wright.

When asked if Jaffe and other subpoenaed witnesses "had cooperated" in the panel's probe of alleged ethics violations, committee chairman Julian Dixon, D-Calif., said: "They're here and testifying, if you call that cooperation."

When asked if Jaffe was answering "your questions," Dixon responded, "Some."

"I think there are still unresolved questions," Myers said, indicating that Jaffe's testimony offered no startling evidence.

"The only surprise I can remember is when we didn't have a witness in San Antonio," Myers said.

Responding to Wright's call for a hearing before the panel to answer "any and all questions," Dixon said the speaker would get his opportunity.

"He (Wright) will have, at the appropriate time, the opportunity to come before the committee," Dixon said.

Two weeks ago, when he formally charged Wright with 69 individual violations of House rules for allegedly accepting improper gifts from a Fort Worth business associate and skirting outside income limits through bulk sales of a book, the committee also said it would continue to probe the Sabine Lake venture.

An investment firm owned by Wright, his Fort Worth associate, George A. Mallick, and their wives held a 4 percent interest in the well. They completed their purchase of that interest for \$9,120 on the same day the interest was sold to a German firm for \$440,000. Shortly thereafter, the investment firm known as Mallightco bought out Wright's share of the company, which was held by his blind trust.

(Mount Clipping in Space Below)

# Jaffe Energy officials refuse to be witnesses for ethics panel

By JEROME P. CURRY  
Express-News Staff Writer

Two upset and frustrated congressmen Tuesday abruptly recessed the San Antonio session of the House Ethics Committee's probe into House Speaker Jim Wright's affairs after several witnesses connected with Jaffe Energy Inc. refused to testify.

Neither John Myers, an Indiana Republican, nor Committee Chairman Julian Dixon, a California Democrat, would name the witnesses who did not appear as scheduled on Tuesday morning.

However, a letter released late in the day by Jaffe Energy of San Antonio said M.D. Jaffe Sr.; M.D. "Doug" Jaffe Jr.; Jeff Prestridge, an executive of Jaffe Energy; and two others had been served subpoenas but would not appear.

Doug Jaffe and Prestridge are agents of both Jaffe Energy and Union Rheinische Co., a Texas corporation funded by Munich, West Germany, investors. Jaffe Energy and Union Rheinische were at the beginning and end of the Dry Well Affair involving Wright.

The closed hearings had been expected to continue through Wednesday.

## Plea bargain

In a new development, Wright, facing what may be a highly public congressional trial on the ethics charges, said Tuesday that he would consider a sort of plea-bargain deal.

Wright, D-Fort Worth, told reporters in response to a question that he would be willing to donate \$7,700 in book royalties to charity as a form of restitution for the alleged offense of collecting that money in lieu of prohibited honorarium fees.

"If that is what the (ethics) committee would like me to do, of course, I would like to do it," Wright said in Washington.

The restitution proposal, which has been suggested by a number of the speaker's Democratic colleagues, would also involve an admission by Wright that his efforts to promote bulk sales of his book to groups from which he could not accept speaking fees had created at least the appearance of a violation of House rules.

"I apologize for any confusion right now," Wright said. He continued to insist, however, that it was "never my intention" that the purchase of his book, "Reflections of a

(Indicate page, name of newspaper, city and state.)

Express-News A-1 & 12

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refuse to be witnesses  
for ethics panel

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APR 27 1989	
FBI — SAN ANTONIO	



The chairman of the House ethics panel, Rep. Julian Dixon, D-Calif., leaves San Antonio's Seven Oaks Hotel after witnesses in the Wright ethics probe failed to appear. ASSOCIATED PRESS

# Jaffe officials refuse to testify

Continued from 1-A

Public Man," be considered "as a payment for my making a speech."

It was not clear Tuesday that a restitution offer could succeed either as a legal or a public relations maneuver. But Wright's willingness to embrace it, after steadfastly protesting his innocence for 10 months, seemed to confirm the view of colleagues that Wright's prospects look grim in what has become a fight for his political life.

The timing and format of Wright's trial before the Committee on Standards of Official Conduct, as the ethics panel is formally called, are still being negotiated by lawyers for the speaker and the panel.

In San Antonio, meanwhile, the letter released by Jaffe Energy was hand-delivered to the ethics committee a half-hour after the witnesses were scheduled to appear, members said.

The Jaffe letter, signed by attorney Stanley M. Brand of the Washington law firm of Brand and Lowell, contended that the subpoenas were issued without legal authority, since the ethics committee's preliminary inquiry into Wright's affairs has been concluded.

It also noted that no disciplinary hearing has been convened, and cites committee rules that subpoenas may only be issued during preliminary inquiries or disciplinary hearings.

The congressmen said the witnesses were subpoenaed last week. Both said they had no knowledge before the letter arrived that lawyers for the witnesses had advised them not to talk. Both said contempt of Congress citations are an option, albeit a drastic one, if it becomes more

difficult to elicit the information sought by the ethics committee.

"It's premature to speculate about contempt of Congress," Dixon said.

Dixon and Myers said they came to San Antonio's Seven Oaks Hotel and Conference Center in an attempt to accommodate witnesses who had knowledge of an elaborate fiscal web centered on a dry gas well. That arrangement netted Wright's blind trust more than \$100,000, according to records. They came to San Antonio, both men said, because Wright had asked them to expedite the investigation.

Members of the House Ethics and Standards Committee already have accused Wright of 69 violations of ethics rules in connection with business operations involving developer George Mallick of Fort Worth and the sale of Wright's book.

The panel had asked for more information on the way in which Wright's blind trust came up with a \$100,000-plus windfall in a series of deals involving a dry gas well in the Sabine Lake region of Orange County near the Texas-Louisiana border. Texas Railroad Commission records show that the region is at best a sometimes producer of gas and oil.

The Jaffe letter also contended that the ethics committee subpoenas did not demonstrate how the documents and information sought from the Jaffe group were pertinent to the preliminary inquiry into Wright's dealings.

Myers and Dixon acknowledged frustration at the way in which they were notified that the witnesses would not appear. They both noted that it cost tax money for them to come to San Antonio.

"This is taxpayer's money. The Speaker wanted us to move rapidly," Myers said. "We've been stopped in our tracks here."

Myers said it appeared that the witnesses had planned all along with their lawyers "not to cooperate with us."

The next move, he said as he left to catch his flight for Washington, is to report to the other members of the 12-member ethics panel.

Of the hearings into the Dry Well Affair, Myers promised: "They will resume." He said he did not know when or where but, "They will resume."

Dixon was no less perturbed.

"The law firm has informed us that the witnesses will not attend today or tomorrow, so we have recessed our hearing," Dixon said.

He said the witnesses had been scheduled to appear on their subpoenas at 10 a.m.

"Thirty minutes after they were to appear (in conference room 'A' at Seven Oaks), the letter from their attorneys arrived," Dixon said.

Of the inquiry, Dixon warned: "I would not describe it as a dead end."

Given a few moments to reflect on the decision not to appear in answer to the subpoenas, Myers said he was "disappointed. Disappointed, but not completely surprised."

Attempts to reach Jaffe Energy lawyers for direct comment on the decision not to have the witnesses testify were not successful.

(Indicate page, name of  
spaper, city and state.)

# Jaffes refuse to talk as panel 'wastes' time

San Antonio Light A-1 &amp; 12

4/26/89

Edition: Sports Final

Title: Jaffes refuse to talk  
as panel 'wastes' time

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or

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By **JIM MICHAELS**  
Staff reporter

In a move that left members of the House ethics panel steaming, Morris D. Jaffe and his son, Doug, defied subpoenas and refused Tuesday to testify at a San Antonio hearing looking into a questionable deal brokered by the Jaffes that benefited House Speaker Jim Wright.

"We wasted our time coming down here," U.S. Rep. John Myers, the committee's ranking Republican, said as he left for Washington, D.C. "They just refused to testify at this time."

"We came down here to expedite this (the Wright investigation). Then we find they are less than cooperative."

A letter outlining the Jaffes' refusal to testify was delivered to Myers and Committee Chairman U.S. Rep. Julian Dixon at 10:30 a.m. - 30 minutes after

**CC**

*We wasted our time coming  
down here. They just refused to  
testify at this time.*

- U.S. REP. JOHN MYERS

**22**

■ Schroeder: Wright shielded from advice/Page A11

Tuesday's first witness was scheduled to testify.

The Jaffes' attorney, Stanley Brand, argued in the letter that the committee overstepped its charter as set out in a congressional resolution passed June 9, 1988.

"Understanding the committee is allowed to investigate the matters made part of its inquiry, it does not follow that the committee, without following proper procedures, can continually expand the scope of its case," the letter read.

The Jaffes' attorneys appear to be taking a hard-line stance and have indicated the Jaffes will not cooperate with the ethics panel investigation.

The June 9 resolution set forth six areas of Wright's finances for the committee to investigate, but did not specifically mention the Jaffe deal, which came up later in the investigation.

"How dare an entity of the U.S. government violate its own rules," said an official of Brand & Lowell, the Washington, D.C., firm retained by the Jaffes.

But an angered Myers and Dixon did not rule out the possibility of citing the Jaffes for contempt of Congress, though they said there are other options.

Please turn to JAFFES/A12

# JAFFES: Refuse to testify in probe of Wright

JAFFES/from A1

"The next step is to go back to Washington and explain (to the full ethics panel) what happened," Myers said.

The Jaffes, politically powerful businessmen and generous benefactors of Democratic politicians, reportedly are close to Wright.

Speaking to reporters as he left the Seven Oaks Hotel and Conference Center where the hearings were held, Dixon warned that the Jaffes' decision not to testify could slow the entire Wright probe.

Wright has urged the panel to speed up its proceedings, allowing him a chance to respond.

"The speaker says he wants a

quick hearing," Dixon said. "We will probably want to resolve this issue before proceeding. There are still quite a few questions to answer about this deal."

Some employees of the Jaffes who had knowledge of the controversial oil and gas deal that benefited Wright were scheduled to testify prior to the planned appearance of the Jaffes.

Scheduled to testify were Dave Myers, an investor colleague of the Jaffes; Jeff Prestridge, a geologist who analyzed the deal; and Marilyn Cherry, a bookkeeper.

The letter from the Jaffes' attorney refusing to cooperate applies

also to Dave Myers, Prestridge and Cherry.

The Jaffes had become the center of the Wright probe after the committee's special counsel reported an unusual oil well deal brokered by Doug Jaffe that resulted in a fat profit for Wright's blind trust even though the well was not productive.

According to the report, the younger Jaffe sold a 4 percent share in the Orange County well to Mallightco, a holding company that Wright had a half interest in, for \$9,120 cash.

On the same day papers were signed on that deal, the holding company turned around and sold

the interest to a German company controlled by a longtime business partner of the Jaffes, Friedemann Striegel.

The purchase and sale, both finalized May 10, 1988, produced a \$350,000 profit for the trust, although the well was not a promising prospect by then.

Monday, the panel heard testimony from L.R. Brammer, an engineering executive who supervised testing and drilling on the well known as the North Sabine Lake Prospect.

The panel had planned on staying in San Antonio through today.

# Report says Wright fund linked to Jaffe companies

By JEROME P. CURRY  
Express-News Staff Writer

The \$150,000 profit that eventually made its way through financing for a wildcat gas well at Sabine Lake into the Jim Wright Blind Trust was part of several hundred thousand dollars in German money on deposit with Jaffe Group companies, a document shows.

M.D. "Douglas" Jaffe Jr. made the investment with Wright business associate George Mallick, according to a document prepared by Jaffe's Washington lawyer, Stanley M. Brand, "with the intention of benefiting URP (Union Rheinische Petroleum Inc.) rather than Mallick."

Jaffe has said neither he nor his associates were aware of any connection to Wright when the deal was cut. It is the Wright profit on this transaction on which the House ethics committee continues to focus in its review of the speaker's business affairs.

The committee has cited Wright for 69 ethics violations.

Several Jaffe executives have been subpoenaed to testify before the committee in Washington either Wednesday or Thursday.

## Declined to appear

They declined to appear before a San Antonio session of the committee last week, saying the probe of the so far dry well exceeded the committee's authority.

Said the document: "With Michael (Mallick's) concurrence, Douglas sought a new investor to join Michael in a participation with the German investors. Douglas determined that URP would be an ideal candidate to acquire part of Michael's interest."

Michael is George Mallick's son and with members of the Wright family was a part of the Dallas investment firm of Mallightco. It was through Mallightco that the money flowed that was paid to Wright's blind trust.

Continued the report: "Douglas viewed the proposed Sabine Lake investment as an extremely desirable one to offer his longstanding partners" from Munich, West Germany.

"He was eager to provide such a good opportunity in light of the fact that numerous oil and gas ventures he

**“Douglas (Jaffe Jr.) viewed the proposed Sabine Lake investment as an extremely desirable one.”**

— Stanley M. Brand report

tween the parties had not been successful.

"The Germans' financial ability to participate in this investment was assured by the amount of German funds on account with Jaffe companies which could be credited for the Sabine Lake investment."

After consultation with Douglas Jaffe, the West German investors agreed to the investment at Sabine Lake and to taking the funds from their account with the Jaffe Group firms.

Andy Mangum of the state's General Land Office said the Jaffes have until October 1990 to sink a third hole at the lease. It is that month in which the lease is to run out.

## 30-day extensions

But Mangum said they can get 30-day extensions for \$3,000 a period until the extensions reach 390 days. If the hole eventually goes into production, Mangum noted, the lease automatically is extended.

According to private business files and records in the offices of the Texas secretary of state, Railroad Commission and the General Land Office, the Sabine Lake well followed this chronology:

- Oct. 6, 1987 — Three bids received for a lease on State Tract 4 in Sabine Lake, Orange County, almost on the Texas-Louisiana line. General Land Office files show the bidders to have been Goodrich Oil Co. of Shreveport, La., which bid \$305 an acre annual rent; Exxon Corp., which bid \$261.61; Tenneco, which bid \$110.42.

- Oct. 6, 1987 — Lease awarded to Goodrich Oil. The terms: \$159,310.65 bonus in up-front money, a one-quarter royalty interest to the state of Texas on production, a lease

(Indicate page, name of newspaper, city and state.)

Express-News A-10

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term of three years and \$10 an acre annual rent on 522.33 acres.

- Nov. 9, 1987 — Goodrich assigns an undivided 50 percent interest in the lease to DCP Inc. at 243 Central Park Mall, San Antonio. DCP is an associate firm of the Jaffe Group directed by Morris Jaffe Sr. of San Antonio.

- Dec. 7, 1987 — DCP Inc. assigns its 50 percent interest to Jaffe Energy Inc.

- Jan. 12, 1988 — M.D. "Douglas" Jaffe Jr. and Michael Mallick sign a memorandum of agreement to a transfer of 4 percent interest in the well to Mallick, acting for Mallightco. Douglas and Michael agree to a purchase price of about \$90,000, according to that letter.

- March 4, 1988 — Drilling starts on Goodrich state tract 4, well 1.

- March 7, 1988 — Goodrich No. 1 surface casing set to 3,031 feet.

- March 18, 1988 — 7½-inch casing set to 10,100 feet.

- April 9-June 10, 1988 — Completion. Perforated casing 11,271 feet to 11,279.

## Cash transfers

- May 10, 1988 — Jaffe Energy Inc. formally assigns 4 percent interest to the lease to Michael J. Mallick as agreed in the Jan. 12 memorandum. Mallick, via Mallightco, arranges a structured purchase of that interest in a 2.5 percent to 4 percent deal for \$440,000 by Union Rheinische Petroleum Inc. Douglas Jaffe acts for Union Rheinische, transferring \$350,000 in cash from Union Rheinische assets on deposit with Jaffe firms to Mallightco. The balance is covered in a promissory note. Mallightco later transfers about \$150,000 from the sale to Jim Wright's blind trust.

- Aug. 5, 1988 — Goodrich No. 1 sidetracked and drilled to 11,455 feet.

- Sept. 24, 1988 — Goodrich No. 1 plugged and abandoned as a dry hole.

- Sept. 30, 1988 — State of Texas receives \$5,223.30 annual rent for the Sabine Lake lease.

- May 1, 1989 — Stanley M. Brand, attorney for the Jaffe interests, releases a statement in which Jaffe executives say they plan to invest another \$2 million in the so far dry well because they think the well eventually will produce millions.



# Presence of Jaffes in D.C. spurs talk about testimony

By **JIM MICHAELS**  
Staff reporter

WASHINGTON - Morris and Doug Jaffe, the San Antonio businessmen now at the center of an investigation into House Speaker Jim Wright's finances, appeared here Tuesday, fueling speculation they intend to provide testimony to the House ethics panel today.

Neither would comment as they emerged from their attorney's office late Tuesday and climbed into waiting cars.

The Jaffes and three business associates - Dave Myers, a businessman specializing in oil matters; Jeff Prestidge, a geologist; and Maryln Cherry, a bookkeeper - were scheduled to testify before the House panel today and Thursday about an oil well deal that benefited Wright's blind trust.

The Texas business associates last

week refused to meet with the ethics committee in San Antonio to discuss the complicated oil venture that committee Chairman Julian Dixon, D-Calif., said "reads like a movie script."

"There may not be anything there, but it all seems very, very strange," Dixon said.

Dixon has said he would seek congressional approval to cite for contempt any of the five Texans who fail to appear to testify.

Stanley Brand, attorney for the five, said Tuesday the group had not reached a decision whether to testify.

When the Jaffes earlier had refused to testify, Brand argued the committee had overstepped its bounds in trying to investigate the Jaffe-brokered deal that involved an oil well in Sabine Lake in Southeast Texas.

He said that transaction was not one of the matters the committee originally

Please turn to JAFFE/A10

(Indicate page, name of newspaper, city and state.)

San Antonio Light A-1 & 10

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or  
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Indexing:

## JAFFES: Speculation fueled

JAFFE/from A1

was chartered by the full House to investigate.

Monday, Brand issued a report saying the oil well deal was a legitimate transaction, and that the committee's special counsel, Richard Phelan, does not understand the oil business.

"The Phelan report reveals a fundamental misunderstanding of the oil business in general and the Sabine Lake venture in particular," the document said. "Rather than acting as an impartial observer, Mr. Phelan has displayed prosecutorial zeal without regard to third parties who may stand in his way."

According to the Phelan report, Doug Jaffe agreed to sell a 4 percent interest in the well for \$9,120, plus \$90,000 in drilling and production costs, to Mallightco, a holding company half-owned by Wright.

Mallightco sold its share in the well to a company controlled by several of Doug Jaffe's business partners, resulting in a \$340,000 profit for Wright's blind trust.

Mallightco was established in 1979, with Wright's friend, George Mallick.

The Phelan report said the deal was completed on the same day, raising questions about whether it was a genuine "arm's length" transaction.

But the 23-page report released by attorneys for the Jaffes says the deal actually took place over several months.

The report also said the oil field continues to be viable and the owners of the prospect are contemplating spending an additional \$2 million to drill a third well after the first two were failures.

Wright insists he knew nothing about the well investment when it was made because his holdings had been placed in a blind trust.

Dixon said the panel, in trying to determine whether Wright had knowledge of the Sabine investment, will seek a meeting with Fort Worth attorney Thomas Law, who managed Wright's blind trust.

Wright has been accused of 69 violations of House rules, including allegations that he indirectly benefited from his wife's receipt of an \$18,000 annual salary, her use of a 1979 Cadillac and their use of a condo at little or no rent through the Wrights' relationship with

Mallick. The benefits totaled \$145,000, the panel said.

Wright is also accused of circumventing honoraria limitations through bulk sales of his book, "Reflections of a Public Man," to groups he addressed.

At a news conference Tuesday, Wright denied any impropriety of his insertion in the Dec. 9, 1985, Congressional Record of an endorsement that praises a Seattle-based firm, Pacific Institute, for a series of motivational video tapes.

At the time, his wife was making \$36,000 a year as an employee of the firm.

"I've done (similar statements) for institutions and businesses and organizations in my district and elsewhere throughout the country, and continue to do it from time to time, though not with the frequency I used to because there are too many other things obsessing my interest and preoccupying me," Wright said.

Washington bureau reporters Vic Ostrowdzki and Rob Rehg contributed to this report.

FBI

## TRANSMIT VIA:

☒ Teletype  
☐ Facsimile  
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## PRECEDENCE:

☒ Immediate  
☒ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☒ UNCLAS E F T O  
☒ UNCLAS

Date

5/3/89

1 FM FBI SAN ANTONIO (58-0)

2 TO DIRECTOR, FBI/PRIORITY/

3 INFO FBI DALLAS/PRIORITY/

4 INFO FBI HOUSTON/PRIORITY/

5 BT

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7 CITE: //3770//

8 PASS: SSA [REDACTED] FBIHQ, PUBLIC CORRUPTION UNIT.

10 SUBJECT: JAMES C. WRIGHT, JR., AKA JIM, UNITED STATES

11 REPRESENTATIVE (D-TX); MORRIS D. JAFFE, SR.; [REDACTED]

12 [REDACTED] [REDACTED]

13 [REDACTED] [REDACTED]

14 [REDACTED] POSSIBLE BRIBERY/COI (C); OO: SAN

15 ANTONIO.

16 RE BUREAU TELEPHONE CALL TO SAN ANTONIO ON MAY 2, 1989.

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^PAGE TWO SA 58-0 UNCLAS

REQUEST OF THE BUREAU:

THE BUREAU IS REQUESTED TO REVIEW THE INFORMATION CONTAINED IN THIS TELETYPE, DETERMINE IF THERE IS SUFFICIENT PREDICATION TO INITIATE THE ABOVE-CAPTIONED INVESTIGATION, AND ADVISE SAN ANTONIO APPROPRIATELY.

FOR THE INFORMATION OF THE BUREAU AND DALLAS, FOR THE LAST SEVERAL WEEKS THE LOCAL SAN ANTONIO MEDIA HAVE CARRIED EXTENSIVE STORIES DETAILING HOUSE SPEAKER JIM WRIGHT'S BUSINESS DEALINGS WITH LOCAL BUSINESSMEN [REDACTED] AT THE PRESENT TIME, MANY OF THE DETAILS OF THESE BUSINESS TRANSACTIONS REMAIN MURKY, AND CONFLICTING STORIES REGARDING THE DETAILS ARE BEGINNING TO SURFACE. THEREFORE, SAN ANTONIO CANNOT, AT THIS TIME, VOUCH FOR THE AUTHENTICITY OF THE PUBLISHED REPORTS. PUBLISHED REPORTS HAVE LINKED MORRIS JAFFE, SR. TO [REDACTED] [REDACTED] IN AT LEAST ONE BUSINESS TRANSACTION UNRELATED TO WRIGHT.

ALLEGEDLY, IN 1988, [REDACTED] WRIGHT IN AN ENTERPRISE KNOWN AS MALLIGHTCO, CONTRACTED WITH JAFFE ENERGY CORP. TO ACQUIRE A FOUR PERCENT INTEREST IN A NORTH SABINE LAKE OIL WELL BY PROMISING TO PAY \$9,120 CASH AND ASSUMING


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^PAGE THREE SA 58-0 UNCLAS

DRILLING AND COMPLETION COSTS ESTIMATED AT \$90,000. THIS OCCURRED SHORTLY BEFORE WRIGHT'S BLIND TRUST WAS GOING TO SELL ITS MALLIGHTCO STOCK. DRILLING ALLEGEDLY BEGAN IN MARCH 1988. AT ABOUT THAT TIME, [ ] ALLEGEDLY CONTACTED [ ] AND ASKED IF HE WANTED TO SELL THE FOUR PERCENT INTEREST TO UNION RHEINISCHE PETROLEUM, INC. (URP), A WEST GERMAN COMPANY CLOSELY ASSOCIATED WITH [ ] THIS OCCURRED BEFORE [ ] [ ] FOR THE MALLIGHTCO INTEREST IN THE VENTURE. ON OR ABOUT MAY 10, 1988, URP PURCHASED THE MALLIGHTCO INTEREST IN THE WELL FOR \$440,000. OF THIS AMOUNT, \$350,000 WAS TRANSFERRED TO MALLIGHTCO, WITH ABOUT \$150,000 LATER BEING TRANSFERRED TO THE WRIGHT BLIND TRUST. TO DATE, THIS WELL HAS BEEN DESCRIBED AS A "DRY" WELL.

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 THE MEDIA HAS ALSO REPORTED THAT AT ABOUT THIS SAME TIME, WRIGHT ~~OWNED~~ A SUBSTANTIAL AMOUNT OF MONEY TO SEVERAL BANKS IN THE DALLAS-FORT WORTH AREA.

ANOTHER COMPANY [ ] JAFFE AEROSPACE CORP., IS ONE OF THE ONLY THREE UNITED STATES COMPANIES COMPETING TO SUPPLY THE UNITED STATES AIR FORCE (USAF) WITH A NEW BASIC TRAINER AIRCRAFT. THE USAF HAS ANNOUNCED THAT BY THE MID-1990S

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^PAGE FOUR SA 58-0 UNCLAS

IT HOPES TO BEGIN BUYING "OFF THE SHELF" JETS IN WHICH TO TRAIN NEW PILOTS IN A \$3 BILLION PROCUREMENT PROGRAM. JAFFE AEROSPACE CORP. HAS PRODUCED A PROTOTYPE AIRCRAFT AND DELIVERED IT TO THE USAF AT WRIGHT-PATTERSON AFB, DAYTON, OHIO. THIS PROTOTYPE CRASHED IN JANUARY 1989, KILLING THE COMPANY PILOT AND A USAF TEST PILOT. IT IS NOT KNOWN BY SAN ANTONIO WHAT, IF ANY, INTEREST WRIGHT HAS SHOWN IN THIS MATTER ON BEHALF OF [REDACTED]

ALL PARTIES ASSOCIATED WITH THESE TRANSACTIONS HAVE PUBLICLY DENIED THAT THERE WAS ANY CRIMINAL ACTIVITY AND THAT WRIGHT HAD ANY PERSONAL INVOLVEMENT IN ORDER TO ENRICH HIMSELF.

*W* SAN ANTONIO RECOGNIZED<sup>S</sup> BOTH THE SERIOUSNESS OF THESE ALLEGATIONS AND THE SENSITIVE NATURE OF ANY INVESTIGATION UNDERTAKEN. [REDACTED]



SAN ANTONIO WILL NOT INITIATE ANY INVESTIGATION INTO THIS

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^PAGE FIVE SA 58-0 UNCLAS

MATTER UNTIL AUTHORIZED TO DO SO BY FBIHQ.

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(Indicate page, name of newspaper, city and state.)

Express - News A-1 &amp; 5

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Indexing:

# Jaffes defend Wright deal

By JEROME P. CURRY  
Express-News Staff Writer

Jaffe Energy Inc. executives, breaking their silence on a 1988 oil and gas deal that provided House Speaker Jim Wright with a quick profit of some \$350,000, defended the transaction Monday as "entirely legitimate" and rejected suggestions in a House Ethics Committee report that it may have been a disguised gift to the speaker.

The executives, in a statement issued by their Washington lawyer, promised to spend another \$2 million on a so-far dry gas well that has become a focus of the House panel's inquiry into the affairs of Wright, D-

## Well project called legitimate

Fort Worth. The executives say the well is worth millions.

In fact, according to the 23-page statement obtained by the Express-News and released by lawyer Stanley M. Brand, "The parties to the Sabine Lake transaction thought (and continue to think) that the hydrocarbon reserves there are worth close to \$100 million," rather than being worthless as the report by the committee's special counsel implied.

More than \$2 million already has been invested in the project — \$2.8 million for the initial well, \$1.1 million for the sidetrack and \$1.2 million to the state of Texas as the up-front cost for the lease to drill on state land.

While two earlier drilling attempts failed to produce any results and the well was plugged and abandoned last summer, the statement said, the investors now expect to drill a third time at an additional cost of \$2 million.

Monday's statement acknowledged that "others might place the value at some lesser value. Disputes regarding actual value, however, are immaterial for purposes of the House Committee on Standards of Official Conduct."

The statement also accused Richard J. Phelan, the committee's special counsel, of displaying "prosecu-

See DEAL, Page 3-A

torial zeal" in the Wright investigation and renewed their challenge to the committee's authority to require their testimony later this week.

Brand said it is still "an open question" whether his five clients will comply with the subpoenas and appear before the panel to answer questions under oath on Wednesday and Thursday.

Those who did not appear as scheduled in San Antonio were Morris D. Jaffe, M.D. "Douglas" Jaffe Jr., Dave Myers, Jeff Prestridge, and Maryn Cherry.

Myers has a working interest in the Sabine Lake venture and is chief executive of Drilling, Completion and Production Inc., which owns the drilling rig used for the gas well. Prestridge is the consulting geologist on Sabine Lake. Cherry has been working for Jaffe interests since 1977 and is responsible for land records and bookkeeping.

The statement was issued "to set the record straight . . . to show that the deal is a straight-up deal by reputable businessmen," Brand said.

Committee Chairman Julian C. Dixon, D-Calif., and U.S. Rep. John T. Myers, R-Ind., the ranking Republican on the panel, were rebuffed last week when they came to San Antonio to take testimony from the five Texans.

The Jaffes and three others involved in the Sabine Lake deal refused to appear and challenged the right of the House committee to investigate the transaction. The panel, however, rejected the challenge and demanded that the investors appear this week as part of the committee's effort to complete its 10-month inquiry into Wright's financial affairs.

Wright already has been accused by the committee of 69 ethics rules violations involving his financial affairs, including a charge that he exceeded outside income guidelines through bulk sales of a book he authored.

Jaffe interests and their partners began the gas well project in Orange County. It was this project through which Wright's blind trust obtained a profit of about \$150,000 via a company in which he and a friend had a common interest. A 4 percent interest in the oil well was acquired by Mallightco, an investment company Wright had formed with Fort Worth real estate developer George A. Mallick, for approximately \$90,000 on Jan. 12, 1988, according to the statement.

The statement said Mallick had contacted Morris Jaffe late in 1987 to ask about possible oil ventures for \$75,000 to \$100,000.

In the detailed document prepared by Brand's firm, Brand & Lowell, for his clients, the statement says:

• Mallick at no time ever mentioned "acting for Jim Wright, Mallightco or anyone other than himself."

The final arrangements for the 4 percent interest in the oil well were between Mallick's son, Michael Mallick, and the younger Jaffe.

• The complicated cash flow involving a Texas corporation financed by Munich, West Germany, investors never involved any hint of wrongdoing. Douglas Jaffe and a Jaffe business associate also are agents of that firm, Union Rheinische Petroleum Inc. (URP).

"With Michael's concurrence, Douglas sought a new investor to join Michael in a participation of the 4 percent interest on some basis. In light of his longstanding business relationship with the German investors, Douglas determined that URP would be an ideal candidate to acquire part of Michael's interest."

URP was given a chance to buy a 2.5 percent interest from Mallightco for \$440,000 — which was paid in the form of a loan.

Wright's interest in Mallightco was bought out by his partner last June, using funds from the \$440,000 URP loan, yielding the speaker a profit of some \$350,000 on his investment in Mallightco.

• The committee's staff report on the dry well incident is fraught with error, including the oft-repeated false statement that the Mallightco and URP transaction took place on the same day.

In fact, according to the Jaffe statement and other documents obtained by the Express-News, it took several weeks.

"Contrary to the . . . committee report, Michael Mallick acquired his

owners believe can be recovered in the future, the statement said.

"Despite the committee's total lack of authority to inquire into the Sabine Lake . . . prospect," the statement said, "Jaffe Energy Inc. and Union Rheinische Petroleum decided that they must . . . set the record straight."

The bottom line, the statement said, is that the Sabine Lake well is a legitimate business venture. The Jaffes believe in it enough to spend another \$2 million on a well abandoned as a dry hole on Sept. 28, 1988, according to Texas Railroad Commission records.

"The property," the statement said, "has a multi-million dollar value" and drilling of the third well "will be commenced in the near future."

In another development, the Wall Street Journal disclosed Monday that Wright gave a warm endorsement to a Seattle, Wash., company after it put his wife, Betty, on the payroll at a salary of \$36,000 a year.

Wright's remarks about a family-oriented video program by the Pacific Institute were placed in the Congressional Record on Dec. 9, 1985. Betty Wright began working for the company in September 1984, at the same time that she was an \$18,000-a-year employee of Mallightco.

The speaker is facing charges that his wife's Mallightco salary, along with the free use of a car and an apartment in Fort Worth, amounted to \$145,000 worth of illegal gifts from Mallick to Wright in violation of House rules.

Sabine Lake interest on January 12, 1988 — not May 10, 1988," the day on which the URP deal was consummated.

In his report on Wright's dealings, special counsel Phelan said that, "while the 'loan' from URP appears to be a gift to Michael Mallick or Mallightco, we cannot yet conclude that any House rules were violated." Phelan noted that Wright's holdings in Mallightco were in a blind trust at the time of the deal.

Challenging Phelan's interpretation of the complex transactions, the statement rejected his contention that the price paid by the West German company was "dramatically greater" than the value of the oil property last May. An April 3, 1988, test of the well showed "phenomenal quantities of oil and gas" that the



# Elder Jaffe wants 'facts out' in Wright deal

(Indicate page, name of newspaper, city and state.)

San Antonio Light A-1 &amp; 8

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Title: Elder Jaffe wants  
"facts out" in Wright  
deal

Character:  
or

Classification: 58-0

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**By JIM MICHAELS**  
Staff reporter

Morris D. Jaffe, in his first public remarks since becoming the center of a probe into House Speaker Jim Wright's finances, Monday said he is anxious to publicly explain the circumstances of a controversial oil well deal that benefited the congressman.

However, Jaffe, a wealthy San Antonio businessman and benefactor of Democratic politicians, said

he still is consulting with his Washington-based attorney over whether to honor subpoenas issued by the House ethics committee and appear at scheduled hearings Wednesday and Thursday.

"All we want to do is get the facts out," Jaffe said in a brief interview with The Light. "We'll see what they (the attorneys) tell us to do."

Jaffe's attorney, Stanley Brand, refused to return telephone calls Monday.

Jaffe, his tie held in place by a miniature gold oil

well and wearing ostrich-skin boots, made the comments in the lobby of his plush offices in Central Park Mall, which he owns.

Jaffe said he could not comment on details surrounding the committee probe.

The ethics panel has turned its attention to a deal set up by Jaffe and his son, Doug, in which a Jaffe company sold a 4 percent interest in an oil and gas well to a holding company partially owned by Wright.

Please turn to JAFFE/A8

6X-WF-163158-36

58-0-152

SEARCHED	GEN	FOIMS
SERIALIZED	INDEXED	
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MAY 2 1989		
FBI — SAN ANTONIO		

# JAFFE: Wants 'facts out' in Jim Wright oil deal

JAFFE/from A1

The interest was then quickly sold - at a large profit - to another company connected to the Jaffes.

Wright has denied any knowledge of the deal.

Two members and two staffers from the ethics panel traveled to San Antonio last week to interview the Jaffes and other officials with knowledge of the controversial deal.

However, the Jaffes and three associates de-

fied subpoenas and refused to appear before the committee.

In a letter to the committee, Brand argued the committee had overstepped its bounds by investigating the Jaffe deal because it was not part of the original Wright investigation.

# Politics, personality hurt Wright

## Quick temper, Lone Ranger style adds to House speaker's problems

By **VIC OSTROWIDZKI**  
Washington bureau



WASHINGTON - As House speaker, Democrat Jim Wright is, quite literally, king of the Hill.

"Under the American political system, he's second only to the president in shaping public policy," said Ronald Peters, director of the University of Oklahoma's congressional study center.

"By virtue of his office, he is a leading force in shaping the Democratic party's legislative agenda, controls committee assignments, and decides which bills (move) and which never see daylight."

What is less known, says Peters, author of an upcoming book on the speakership, is that Wright is two heartbeats away from the presidency, next in the line of succession after the vice president.

Wright also is in serious trouble. He stands accused by the House ethics panel of 69 violations of House rules. The primary charges are that Wright improperly accepted gifts totaling \$145,000 from a

Fort Worth businessman and that he improperly earned \$54,600 through bulk sales of a paperback book, "Reflections of a Public Man."

If the committee decides to recommend a reprimand, Wright will face what amounts to a vote of confidence by the House. If the vote goes against him, Wright's political downfall would be the most dramatic since Watergate.

"Whatever the committee comes out with," said Rep. Patricia Schroeder, D-Colo., "I don't think anybody is going to buck it."

In the meantime, even Wright's political nemesis, Republican Whip Newt Gingrich of Georgia, concedes that "if you are a Democrat, you can't move right now, because the speaker may survive."

Wright's immediate predecessor, Democrat Tip O'Neill of Massachusetts, was considered an affable force in legislation without being terribly concerned about its details.

By contrast, Wright is viewed as an aggressive loner who is very much issues-oriented.

Norman Ornstein of the American Enterprise Institute, a Washington research organization, says Wright is "extremely bright ... an

assertive man who wants to be a strong and aggressive speaker."

Ornstein says Wright has suffered by being "abrasive and aloof, a Lone Ranger, who has few intimates."

Rep. Dale Kildee, D-Mich., says Wright "wants to know what's on the train," while O'Neill "wanted to make sure that the train ran on time."

Two years after he was elected speaker, Wright remains an enigma.

To his Republican opponents, he is a corrupt tyrant who routinely manipulates House rules to stifle their rights.

Rep. Dick Armey, R-Texas, con-

cludes that Wright's personality turns off fellow lawmakers. "He has a personal style that is not warm."

Rep. Jack Brooks, D-Texas, who has been a friend of Wright since they served together in the Texas Legislature 40 years ago, says Wright's "temperament is not to turn and run if somebody pushes him, either physically or mentally."

Rep. Leon Panetta, D-Calif., says some of Wright's current troubles trace back to Wright's handling of Republicans when he served as majority leader under O'Neill.

(Indicate page, name of newspaper, city and state.)

San Antonio Light A-6

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hurt Wright

Character:

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(Mount Clipping in Space Below)

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Express-News A-1 &amp; 14

4/30/89

Date: Final  
Edition:

Title: Political showdown

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House Speaker Jim Wright's friends say they are ready for a political fight.

## Political showdown

### Wright, partners ready to duel with Chicago lawyer over ethics

By **BILL HENDRICKS**  
Express-News Staff Writer

FORT WORTH — House Speaker Jim Wright and his partners in this old cattle-and-oil town are saddling up for the biggest showdown of Wright's 43 years in politics.

George A. Mallick Jr., wheeler-dealer businessman and a close friend of Wright, has drawn a bead on Chicago lawyer Richard Phelan.

Phelan, as special outside counsel, heads an investiga-

tion by the House Committee on Standards of Official Conduct into Wright's financial and private life.

That probe threatens to topple Wright from the seat of power he took almost four decades to achieve.

"When this is all over," Mallick said. "Somebody's going to leave town. Either Phelan or Jim Wright."

Mallick, whose immigrant grandfather started a grocery

**See MALLICK, Page 14-A**

# Mallick: Lawyer doesn't know oil deals, Texans or Wright

Continued from 1-A

business here in 1896 with a nickel investment, said Phelan has set out to bring down Wright.

"He is no independent fact-finder," Mallick said of Phelan, as he ate a lunch of fried chicken and mashed potatoes with thick gravy at a little cafe near his Hulen Towers complex.

Phelan has dealt out a hand of political poker, Mallick said.

Mallick added that he also has a stake in the outcome.

After five days testifying before the committee in Washington, D.C., Mallick said he came back to Fort Worth convinced that lawyer Phelan was out to nail his hide to a barn door to get at Wright.

"I don't intend to go gently into that last goodnight," the millionaire real estate and investments broker said.

Phelan doesn't understand oil deals, Texans or Fort Worth. Most of all he doesn't understand Jim Wright, Mallick said.

Mallick spit out his words like shots from a six-shooter.

"If he has mistaken Jim's quiet manners for weakness, then Phelan has made a big mistake," Mallick said.

Phelan has raised questions about an oil deal Mallick made with San Antonio investors Morris D. Jaffe and his son, M.D. "Doug" Jaffe.

Mallick made the investment last May at the same time he was arranging to buy the Wright interest in Mallightco Inc., an investment company that Mallick and Wright began with their wives in 1979.

"There was nothing wrong with that deal, and anybody who knows anything about the oil business would know there was nothing wrong with it," Mallick said.

In his buyout of the Wright share in Mallightco, Mallick dealt with lawyer Thomas Law.

Law, whose acquaintance with Wright goes back to 1941 and their student days at the University of Texas at Austin, manages Wright's finances through a blind trust.

He said Wright asked him to set up the trust in October 1987.

Wright said then that he wanted to sell off his interest in Mallightco, pay off two debts from other investments and put any remaining funds into a conservative investment package, Law told the Express-News on Friday.

That was the last conversation the two men had about Wright's trust or the speaker's finances, Law said.

Law said he told Mallick he

**"I have a lot of confidence in Jim (Wright) and in his integrity and his ethics. Now, what I do not have confidence in is his ability as a businessman."**

— Thomas Law

wanted to sell the Wright share of Mallightco by July 1988.

He added that Mallick told him about the oil deal at Sabine Lake last spring, saying that the venture looked promising but providing no details.

Last June, a month after Mallick got into the Sabine Lake drilling project with the Jaffes, Mallick made Law an offer for the Wright share of Mallightco, Law said.

"The offer was for \$230,000 in cash for all the Wrights' Mallightco stock and a \$120,000 note which would be unsecured and would be subordinate to any other debt that Mallightco would have," Law said, adding, "and it would be payable in five years with a balloon payment, no intermediate payments, at 10 percent interest."

Law said he accepted the offer and received the \$230,000 cash payment in two checks on June 9, 1988.

That payment covered an \$82,000 debt Wright owed Mallightco and the two other debts that totaled about \$83,000 plus interest, Law said.

A "little bit" of the \$230,000 was left for the trust to make a conservative investment for Wright, Law said.

Law fired a volley at Phelan, too.

"I have read almost all of the report by Mr. Phelan and the report of the (ethics) committee and I am simply astonished at how many misstatements, absolute misstatements, of so-called fact appear in the Phelan report that I personally am familiar with," Law said.

Law said of Wright: "I have a lot of confidence in Jim and in his integrity and his ethics. Now, what I do not have confidence in is his ability as a businessman."

"He's not a good businessman. I think he'd be the first to say that. His interest has not been in business or

in making money. He is not by any means a rich man. I can assure you of that."

Law and Mallick, both longtime friends of Wright, are a contrast in this city that earned its "Cowtown" nickname as a bawdy cattle town in the 1870s.

Mallick made and lost one fortune before 1970, and then scrambled back to the top of the business community.

But he never fit into the Fort Worth business establishment that was called "the 7th Street game."

A frequently told Mallick story describes the Cowtown investor in a heated debate over a business deal at a Dallas hotel.

A participant in the discussion called Mallick a liar, so the story goes.

Of course, Mallick invited the man outside to the hotel parking lot and the two then engaged in a fist fight.

Mallick represents that tough side of the Fort Worth style of doing business.

Thomas Law, in contrast, has been legal spokesman for many in the Fort Worth establishment for more than a quarter century.

People who know Law might sooner expect to see the Rep. Billy Graham slugging it out on a parking lot than to find the tall, distinguished lawyer in that circumstance.

## Slug it out

The contrasting styles of those two Wright friends tell their own story about the powerful Democratic officeholder.

Wright had to slug his way into the Fort Worth political establishment.

He first ran for Congress in 1954. His opponent in the Democratic primary was eight-year incumbent U.S. Rep. Wingate Lucas.

Lucas was backed by Amos Carter Sr., owner and publisher of the Fort Worth Star-Telegram. Even Law, Wright's former college classmate, supported Lucas.

Carter was the establishment in Fort Worth. He had made millions in cattle and oil and turned his newspaper into the "voice of West Texas."

Wright paid \$974 for a political advertisement in the Star-Telegram that appeared on election eve.

His "open letter to Amos Carter" won Wright the election.

After the vote was in, Carter responded by publishing an "open letter" to Wright.

Carter told Wright there was no bitterness on his part and urged him to go up to Washington and do a good job.

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

Express-News A-6

Date: 4/29/89  
Edition: FinalTitle: Jaffe court fight file  
unsealedCharacter:  
or  
Classification: 58-0  
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# Jaffe court fight file unsealed

By JEROME P. CURRY  
Express-News Staff Writer

The details of a multimillion-dollar court fight between Jaffe interests and an already-faltering Sunbelt Savings Association of Texas were released Friday after ABC News asked a judge to open the file.

That file, sealed June 6 by a state district court order, told the tale of a battle over about \$14 million in 1985 loans from Sunbelt to Concord Square Venture, an operation coordinated by M.D. "Doug" Jaffe, a San Antonio entrepreneur.

District Judge Rose Spector signed the order to unseal the records after Don Krause, the San Antonio lawyer representing Jaffe interests, said the Jaffes had no objection to opening the terms of the settlement.

Jaffe is one of the principals in a Sabine Lake oil and natural gas well project — under investigation by a House ethics committee — in which more than \$100,000 eventually was made by House Speaker Jim Wright's blind trust.

That profit was part of an elaborate financial arrangement involving an interest in the dry well and several business firms, including Doug Jaffe and his father, Morris Jaffe of San Antonio.

Capital Cities/American Broadcasting Company Inc. and ABC correspondent Allan Frank went to court to unseal the Jaffe-Sunbelt record because of a potential link to the Wright affair.

The documents do not show any such link, said one attorney after inspection of the records that were unsealed.

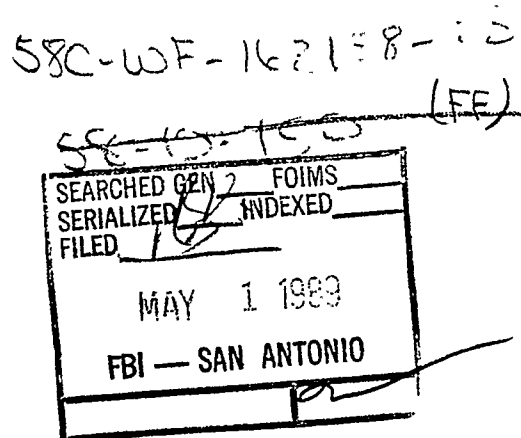
According to the record, Jaffe sued Sunbelt claiming usury because of several service charges or commitment fees, charges that totaled \$545,850. The loan agreement, Jaffe argued, constituted fraud.

Sunbelt countered that payment obligations were not met.

The settlement on April 25, 1988, provided that the Jaffe interests would pay Sunbelt \$1.5 million and give them the title to the Bristol Square apartment development in Austin. It was that development that provided the security for three loans — \$9.9 million, \$2.3 million and \$841,000.

Krause said the settlement also provided for a payment to Sunbelt of about \$700,000 that was not reflected in the court files.

"We decided not to fight opening the records," Krause said, "because Doug had made the payments noted. We asked that it be sealed then because we did not want it known that we had a \$1.5 million judgment against us. That debt now has been paid. There is no reason to keep the records sealed."



(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

San Antonio Light B-1 &amp; 7

Date: 4/29/89  
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loan to Doug JaffeCharacter:  
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# Suit details Sunbelt loan to Doug Jaffe

**By JIM MICHAELS**  
Staff reporter

Doug Jaffe, a San Antonio businessman now at the center of an investigation into House Speaker Jim Wright's finances, signed a \$13 million loan agreement with a savings institution under terms that Jaffe himself claimed later in a lawsuit were fraudulent.

The agreement was made by Dallas-based Sunbelt Savings Association of Texas at a time when that institution allegedly was making "back-scratching" deals that now are part of a massive federal investigation.

The information was contained in a lawsuit unsealed Friday in state district court.

The chairman of Sunbelt at the time the Jaffe loan was made was Edwin McBirney, currently the chief target of an investigation into thrift fraud.

McBirney ordered the free use of a private jet for Wright during an eight-city tour of Texas by the House Speaker in 1985 to prepare for a \$1 million fund-raiser, according to a report Friday in the Wall Street Journal.

Doug Jaffe and his father, Morris, are at the center of an investigation by the House ethics panel into Wright's finances.

The Jaffes and three of their associates are scheduled to testify Wednesday and Thursday before the committee, which is interested in learning more about an oil well deal brokered by the Jaffes that produced little oil, but a hefty profit for Wright's blind

Please turn to JAFFE/B7

58-0-100 (33)

58-0-100

SEARCHED <input checked="" type="checkbox"/>	FOIMS
SERIALIZED <input checked="" type="checkbox"/>	INDEXED
FILED <input checked="" type="checkbox"/>	
MAY 1 1989	
FBI — SAN ANTONIO	

# JAFFE: \$13 million loan disclosed in unsealed suit

JAFFE/from B1  
trust.

The Jaffes and their associates initially refused to testify when the panel came to San Antonio earlier this week and have yet to say whether they will agree to talk next week.

Doug Jaffe and officials of Sunbelt would not return telephone calls Friday.

The lawsuit unsealed Friday provides an interesting glimpse into the way deals were made during the high-flying days of the Texas thrift industry, before it collapsed, costing taxpayers billions of dollars.

The deals were so fast and furious at Sunbelt that it was nicknamed "Gunbelt" before it was bailed out by the federal government last year.

But there is nothing in the deal that would connect Jaffe and Wright or indicate any favoritism as part of the deal.

The \$13 million loan was made to Jaffe and Bob J. Goodson, a local businessman, to purchase and de-

velop property in Travis County. It was not clear whether the property ever was developed.

Goodson did not return a call Friday.

Sunbelt later began foreclosure proceedings on the property shortly before Sunbelt and six other Texas thrifts were bailed out under a \$5.5 billion plan. The thrift was renamed Sunbelt Savings Federal Savings Bank Dallas.

Jaffe and Goodson tried to prevent the foreclosure and filed suit in 1987, claiming that the original loan agreement was fraudulent and seeking \$20 million in damages.

The two complained in the original motion that they had paid the bank \$545,850 up front to get the loan in the form of a "commitment fee" disguised as interest.

The original motion also alleges

that the original loan document requires other payments that are nothing more than interest.

In a final judgment signed April 25, 1988, Jaffe and Goodson finally agreed to pay Sunbelt \$1.5 million, after they apparently forfeited the

The judgment was ordered sealed about two months after it was signed.

The records were opened Friday after ABC News filed a motion in district court, claiming the public has an interest in learning about the Jaffes.



(Mount Clipping in Space Below)

# Mallick: Oil deal hidden from Wright

By **BILL HENDRICKS**  
Express-News Staff Writer

FORT WORTH — House Speaker Jim Wright unknowingly became a silent partner in a lucrative oil deal with two San Antonio businessmen because Fort Worth investor George A. Mallick Jr. wanted to shield the speaker's involvement, Mallick told the Express-News.

Mallick, the congressman's longtime friend and business associate, said he intentionally hid Wright's financial interest in the oil venture with Morris D. Jaffe and his son M.D. "Doug" Jaffe of San Antonio to protect the integrity of the blind trust that Wright created to handle his financial affairs.

The complex financial arrangement was made by Mallick and his son, Michael, without Wright's knowledge, the senior Mallick said.

Mallick said he struck the oil deal with the Jaffes without informing them that Wright held a financial stake.

The oil venture has come under close scrutiny by the House Committee on Standards of Official Conduct.

Mallick said the Jaffes could not have hoped to curry favor with the politically powerful Democrat because Wright's participation was unknown to them.

The House committee has threatened to bring contempt of Congress charges against the Jaffes unless they testify about their role in the venture.

Committee Chairman Julian Dixon, D-Calif., and ranking minority member John Myers, R-Ind., were in San Antonio to interview the Jaffes last Tuesday, but the fa-

See **MALICK**, Page 9-A

(Indicate page, name of newspaper, city and state.)

Express-News A-1 & 9

4/29/89

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FBI — SAN ANTONIO	

# Mallick: Oil deal kept secret from Wright

## Continued from 1-A

ther and son refused to appear as scheduled.

Instead, their Washington, attorney, Stanley M. Brand, sent the committee a letter contending the subpoenas commanding the Jaffes to testify were issued without legal authority.

A showdown could come next week if the Jaffes and three other subpoenaed witnesses again refuse to testify.

Meanwhile, Mallick described his version of how and why the oil deal was made.

Mallick and Wright, along with their wives, formed the investment company they called Mallightco Inc. in 1979.

After Wright became speaker in 1986, the congressman put his interest in Mallightco into a blind trust. Wright's Betty, resigned as an officer in the company and a paid employee.

Mallick said he understood Wright's desire to avoid any appearance of impropriety and concluded also that his friend wanted to devote all his energy to his new role as speaker.

"I decided to make (Mallightco) or break it," Mallick said, adding he began shopping for an investment.

He looked for an opportunity that would go up or down in a short time.

Mallick said he had made similar deals with oil properties in the past.

At that time, Mallick said, Morris Jaffe offered him a share in what has become known as the Sabine Lake oil deal, a speculative drilling venture in Orange County.

Mallick said he knew the Sabine Lake proposition carried a substantial risk, like all wildcat drilling projects.

But it was the kind of make-or-break deal he was seeking.

"Morris Jaffe and I have known each other since 1968, when both of us worked in behalf of (Democrat presidential candidate) Hubert Humphrey," Mallick said.

Mallick said he had come to trust Jaffe's business instincts, but was tilted in favor of getting into the deal when Jaffe told him a trust fund set up for the Jaffe grandchildren had a substantial investment.

Michael Mallick handled the financial arrangements and the Jaffes were told that the Mallick share came out of the Mallick-Wright company.

The agreement called for Mallick to pay the Jaffes \$9,120 and commit another \$90,000 toward drilling costs.

That same day, Mallick assigned part of his 4-percent share to Union Rheinische Petroleum Inc., in which the Jaffes also held a financial stake.

Mallick said the deal went like this: Union Rheinische loaned Mallick \$140,000 against his 4 percent share in the Sabine Lake project.

That covered the \$90,000 commitment to drilling costs and left a \$350,000 balance.

The loan was to be paid back from income from well production, he said.

Union Rheinische would then retain a 2.5-percent interest and Mallick would keep 1.5 percent.

However, the only way Union Rheinische had to recover its loan and interest was from production proceeds.

The project has come to be labeled a "dry hole."

Mallick contends that assessment was premature, however, and predicts the Sabine Pass project eventually will produce.

In any case, Mallick asserted, people familiar with speculative ventures such as the Sabine Pass project would find nothing out of the ordi-

nary about the financial arrangements despite the seeming complexity.

"I bet the farm (on the Sabine Pass deal), and I rolled the dice," Mallick said.

As for the \$18,000 annual salary Betty Wright was paid during the time she worked for her husband's company, Mallick said she earned every cent of it.

He called the speaker's wife an astute businesswoman, who earned her salary by making studies of investment propositions and making recommendations about them.

Mallick described his relationship with Jim Wright as a close friendship that began over coffee in 1983.

Since then, as their friendship grew closer, the two men have talked together about subjects ranging from politics to movie trivia, Mallick said.

Jim and Betty Wright, after the couple married in 1972, were frequent visitors at the Mallick home, Mallick said.

"He would come over to the house in jeans," Mallick said.

"I was a cook in the Army so I would cook the main course and Jim would make the salad," Mallick said. "There wasn't anything formal."

Mallick said he has never sought to use his friendship with Wright to influence legislation or gain favored treatment from any person or agency connected to government.

He predicted that Wright will take a battering as the committee continues its investigation, but he asserted his belief that his friend will survive politically and remain speaker.

"Truth is like cream," he said. "You can stir it up, but truth, like cream, always rises to the top."

(Mount Clipping in Space Below)

# Wright 'wanted' in Washington

Knight-Ridder Newspapers

WASHINGTON - Is it an omen?

The face of House Speaker Jim Wright has shown up on posters pasted on lampposts and construction-site walls here.

"Wanted," says a bold-face line of type on a flier slightly larger than the kind posted in post offices by the FBI. Below that are two pictures - one front and one side profile - of Wright, the highest-ranking elected Democrat in the country and a man who is in trouble.

Wright, who is under investigation by the House ethics committee for 69 alleged violations of four House rules, is attacked in less cordial terms in the poster for "money-laundering, blackmail, influence-peddling, conflict of interest and association with felons."

This time a year ago, not long before he resigned under pressure, Attorney General Edwin Meese, close confidant of then-President Reagan, was the target of not-too-complimentary billboard-sized posters throughout the Washington area.

"Experts agree ... Meese Is a Pig," read the huge signs.

The assault, by a group of young men who later were arrested for defacing public property, reflected the widespread sentiment on Capitol Hill that Meese had become an embarrassment because of his involvement in a series of questionable business deals.

The new round of posters attacking Wright is the work of the Conservative Campaign State Fund, an arm of the Conservative Campaign Committee, which spent more than \$100,000 in 1987 and 1988 on campaigns against Democratic presidential hopefuls Mike Dukakis and Jesse Jackson.

(Indicate page, name of newspaper, city and state.)

San Antonio Light B-2

Date: 4/29/89

Edition: Metro

Title: Wright "wanted" in Washington

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or

Classification: 58-0

Submitting Office: San Antonio

Indexing:

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SERIALIZED <input checked="" type="checkbox"/>	INDEXED <input checked="" type="checkbox"/>
FILED <input checked="" type="checkbox"/>	
MAY 1 1989	
FBI — SAN ANTONIO	

# Memorandum



To : SAC, SAN ANTONIO (58-0)

Date 4/29/89

From : SA [redacted]

Subject: UNITED STATES REPRESENTATIVE

JIM JAMES WRIGHT;  
MORRIS D. JAFFE;

[redacted]  
FNU [redacted]

b6  
b7C

On Saturday, April 22, 1989, writer had a conversation with MORRIS D. JAFFE, SR. at Central Park Mall, San Antonio, Texas. MORRIS JAFFE stated that he was to make an initial record of the contact with the Federal Bureau of Investigation (FBI) regarding recent articles he has read and a recent congressional committee investigating speaker of the house JAMES WRIGHT. He advised he wanted to "clear the air" regarding what has been referred to as a "pay off" to JIM WRIGHT from himself.

He advised the alleged pay off involves the drilling of an oil well at the Louisiana/Texas Border in early 1988. The oil well was drilled close to the Louisiana/Texas Border and although the well showed it to be a major gas find, due to faulty "mudding" and other problems the well had to be subsequently re-drilled adjacent to the first one. A second well was drilled further into Louisiana by some two to three hundred feet but this well proved to be non-productive. A third well was being drilled almost on the border line and is expected to be a large gas producer. He explained that various people purchased into an oil well and/or gas well at various stages of its completion. He stated investors may buy in when it is halfway drilled, completely drilled and producing, or even when the well has proved to be "dry" but shows signs of the adjacent property being worth exploration. He advised him in this case the investors pay for the "information" gleaned as a result of the drilling of the first well. He stated that a German friend of theirs whom they have known for several years purchased into the well at its inception the idea of making a large profit from the gas. He stated that subsequently even though the gas proved to be non-obtainable out of that well it is still expected to come from the third well. He advised that as such, the Germans who invested are apt to make several million dollars from their initial investment. He advised that no knowledge existed as to WRIGHT's participation in the well at any point nor was it his intention to "pay off" speaker WRIGHT for any favors.

(2) - San Antonio  
LKL:sdp  
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58C-WF-163158-29  
58-0-150 (BB)

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SERIALIZED <input checked="" type="checkbox"/>	INDEXED <input checked="" type="checkbox"/>
FILED <input checked="" type="checkbox"/>	
MAY 1 1989	
FBI — SAN ANTONIO	

SA 58-0

JAFFE stated that the commission had congress investigating JIM WRIGHT as asked him to come forward and speak to them. He stated as a result he has obtained a lawyer in Washington, D.C. and, has advised that lawyer that he would fully cooperate with any investigation conducted in this matter provided such investigation was conducted by a professional organization such as the Federal Bureau of Investigation and not some political committee. JAFFE further advised that he would make all documents and/or papers available to the FBI should a request be made. He stated he would also make a formal statement regarding his involvement in the oil well and any relationships he may have with the speaker.

Mr. JAFFE was not questioned specifically regarding any of the statements he made to the writer. Mr. JAFFE was advised that his request and/or statement made on this date would become art of the Federal Bureau of Investigation formal files.

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

San Antonio Light A-20

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Edition: FinalTitle: Texas House leader defend:  
Jim WrightCharacter:  
or  
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# Texas House leader defends Jim Wright

By **BILL HENDRICKS**  
Express-News Staff Writer

As one Fort Worth politician to another, Texas House Speaker Gib Lewis says he has one question about the controversy swirling around U.S. House Speaker Jim Wright:

If a politician can't do business with his friends, who can he do business with?

The House ethics committee has raised questions about Wright's private business deals and relationships.

Business connections under investigation include Wright's ties to Fort Worth investor George Mallick.

Lewis is friends with both Wright and Mallick.

Wright and Mallick have been friends since the 1960s, Lewis said Friday in a telephone interview from Fort Worth.

Lewis added that he sees nothing unethical about Wright's becoming involved with friend Mallick in business deals.

"When you are in politics, you don't have the time you need to devote to your business," Lewis said, adding that in such situations a politician has to find business partners whose judgments he can trust.

"I'm paying off a couple of notes now on deals that I wouldn't have made if I'd had more time to look at them," Lewis said.

Lewis described Mallick as a sharp businessman and a "mover and shaker in local (Fort Worth) politics back in the 1960s."

He described the relationship between Wright and Mallick as a long-standing friendship.

Lewis said he has seen nothing that indicates anything unethical about Wright and his wife, Betty, being in business with Mallick.

If a political officeholder was barred from doing business with everyone whose ventures had a connection to government — either through contracts or regulation — virtually everyone would be ruled out, Lewis said.

He predicted Wright will weather this political storm and retain his speakership.

Ethics committee investigators have been examining the relationships of both Wright and Mrs. Wright to Mallick and the Mallick-Wright investment business, Mallightco Inc.

Wright has vowed he will "damn well fight" to protect his wife's good reputation.

The speaker, who first won his seat in Congress from the Parker County town of Weatherford, has been shielding his wife from critical new reporters almost from the day they were married in late 1972.

Mrs. Wright was already an administrative assistant on Wright's public works committee at the time.

She kept her job, creating a situation that would have violated House standards if she were not already in the job before their marriage.

Eventually, she resigned the post.

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Express-News A-1 &amp; 23

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Jaffes back into stormCharacter:  
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# Wright probe propels Jaffes back into storm

**By BRUCE DAVIDSON**  
Express-News Political Writer

San Antonio businessmen Morris and Doug Jaffe are no strangers to controversy, but the father and son have weathered every storm that has come their way.

The Jaffes' most recent storm has swept them into the national spotlight surrounding the business dealings of House Speaker Jim Wright, whose profitable investment in a Texas oil well deal involving the Jaffes is being investigated by the House ethics committee.

Investigators for the panel are scheduled to arrive Sunday night in

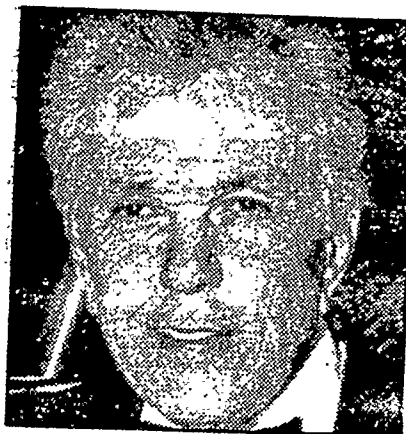
## WRIGHT STORIES

Defended by Lewis ..... 20-A  
Get-tough mood ..... 20-A

San Antonio to discuss the deal with the Jaffes.

Morris Jaffe — a millionaire developer, oil man and investor — has been associated with some of the most powerful Democrats of the last three decades, while his business dealings stretch from Karnes County to Morocco.

Morris Douglas Jaffe Jr., better known as Doug, is one of six children Morris Jaffe Sr. had with his former wife, Jeanette.



Morris Jaffe, millionaire developer and investor, has weathered controversy before.

The transaction in question was completed last year for Mallightco, a

See WRIGHT, Page 20-A

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company owned by Wright and the Fort Worth Democrat's longtime friend and business associate George Mallick of Fort Worth. The House committee has reported that Doug Jaffe and Mallick's son, Michael, helped arrange the deal.

According to published reports, the panel wants to investigate how the value of a nearly non-productive oil well in East Texas increased in one day from \$9,000 to \$440,000. The profits were put in a blind trust held in Wright's name.

Jaffe Energy Inc. sold the well to Mallightco which sold it later the same day at a huge profit to Union Rheinische Petroleum, a West German-run firm.

Doug Jaffe is president of Jaffe Energy Inc. and Jaffe Aerospace Corp., which is interested in selling a pilot-training jet to the Pentagon.

Wright has said that he had no knowledge of the deal, which involved his blind trust. Last week, the ethics committee reported it had reason to believe that Wright violated House rules on 69 occasions involving other deals, and the panel announced it would take a closer look at the relationship between Jaffe and Wright.

### Jaffes not talking

A source who talked with Morris Jaffe last week said the committee staff advised the Jaffes not to talk to the news media until after meeting with the panel investigators.

"I can hardly wait to talk about it. It's a clean deal," the source quoted Morris Jaffe as saying.

Morris Jaffe, 66, has long been involved in Democratic politics on the national level, but has usually kept a low profile.

The developer backed U.S. Rep. Henry B. Gonzalez in the 1961 special election, which first sent the San Antonio Democrat to Congress.

Gonzalez said his relationship with Jaffe came about because their mothers were friends. Like Gonzalez, Jaffe grew up on the West Side, but they did not become acquaintances until Gonzalez's first congressional campaign.

"He doesn't like the limelight. Morris Jaffe isn't the kind that wants to join the country club," Gonzalez said. "Frankly, I have a great deal of admiration for Morris.

"He was the one who opened up

(San Antonio) home ownership for Mexican-American purchasers," said Gonzalez, describing how Jaffe sold houses to Hispanics in the Allena Village subdivision when other developments had restrictive covenants.

Jaffe is a Jefferson High School graduate and served in the Army Air Force during World War II as a test pilot. After the war, he tested aircraft for the Mexican government for about 18 months.

He never lost interest in aviation and expanded his contacts into Mexico.

Jaffe struck it rich in 1954 with a major Karnes County uranium deposit that made national headlines.

In addition to building homes, he developed Central Park Mall and was the president of Fed-Mart, a retail store and insurance operation that Jaffe helped expand throughout the Southwest in the 1950s.

Later, Jaffe sold his Fed-Mart and uranium interests.

### Business empire

The Jaffe empire now includes about 60 privately held companies, it is believed.

Known as a generous employer, Jaffe has fought over the years to increase the minimum wage, Gonzalez said.

Jaffe was a friend and supporter of former President Lyndon B. Johnson, has been associated with former Gov. John Connally and is close to John C. White, formerly chairman of the Democratic National Committee and Texas agriculture commissioner.

In 1962, Jaffe spent about \$9 million to buy Billie Sol Estes' grain storage assets after Estes was convicted of fraud. Estes, too, was close to Johnson. That deal was struck by American Grain Co., of which Jaffe was the principal owner. He sold the grain facility in 1974.

A verbal battle erupted in 1957 when the Lackland AFB commander, Col. James Smyrl, accused Jaffe and two partners of using pressure to get him to encourage airmen to use a skating rink the Jaffe partnership had built on the base. They sold the rink in 1958.

In 1967, San Antonians received a glimpse into the Jaffe family when a fire broke out at their three-story Olmos Park mansion on Alameda Circle.

The fire caused no injuries but about \$25,000 in damages. Reporters

described the mansion as having 44 rooms, including a private chapel able to accommodate 25 people.

Oscar Wyatt, who set off spiraling City Public Service charges in the 1970s when he could not live up to his contract price for natural gas, told the Express-News in a 1974 interview that Morris Jaffe and lawyer Jules Sterling were his first major financiers in the early 1950s when Wyatt was starting drilling operations.

Jaffe sold all his interests in Wyatt's operations, but later came under criticism for his friendship with Wyatt.

Jaffe tried to get CPS to buy more natural gas in 1972, but CPS trustees said then that they had a firm commitment from Wyatt, accusing Jaffe of trying to get his friend off the hook.

Jaffe publicly stated that natural gas was rising in price and that San Antonio needed secure contracts before trying to settle with Wyatt.

The CPS trustees were planning to build a nuclear power plant — publicly opposed by Jaffe — and to phase out gas generators.

When Charles Becker, then a city councilman, broke from the once-powerful Good Government League and entered the mayoral race in 1973, Jaffe threw his support and money behind his friend Becker in the successful campaign that broke the GGL and eventually brought CPS under more City Council control.

Jaffe later purchased Handy Andy Stores from Becker and his interests, then sold the grocery to Frank Sepulveda.

Gonzalez said Jaffe was a frequent visitor to Washington in the 1960s and associated with legendary House members from Texas such as Speaker Sam Rayburn and Wright Patman.

### White House access

During the Carter administration, Jaffe again had access to the White House.

"He and Frank Sepulveda were dinner guests at White House state dinners, at least a couple of them," Gonzalez recalled, noting that one of President Carter's sons stayed with Jaffe during a 1980 campaign visit to San Antonio.

Gonzalez added, "He was very active in 1980 on behalf of Carter."

Operating out of his offices at Central Park Mall, Jaffe has had business dealings over the years with



such people as Yankee slugger Mickey Mantle, and contributed to numerous Democratic candidates.

More recently, Jaffe is reported to have provided a plane for Speaker Wright when he traveled to San Antonio from his home in Fort Worth.

The San Antonio developer is also reported to be a friend of George Mallick, Wright's Fort Worth business partner. Mallick told the House ethics panel that he and Jaffe worked on Vice President Hubert Humphrey's presidential campaign in 1968.

Despite his distaste for the limelight, Jaffe's name has surfaced in headlines many times during the past two decades.

In the early 1970s, reports surfaced about Jaffe's ties to reputed New Orleans crime boss Carlos Marcello.

Jaffe told the Express-News in 1971 that he had been seeking for some years to buy Marcello's 6,000-acre Churchill Farms for a vast development. "I'm sure the FBI is aware of it," Jaffe said.

The San Antonian hired Leroy Kerwin to work for his First Financial Life Insurance Co. in 1970, and later fired Kerwin after he learned Kerwin was trying to use one of Jaffe's companies as a front for a swindling scheme.

Ties between key Mafia figures and Kerwin were disclosed after his body was found in a shallow grave near Toronto, Canada, in June 1971. Authorities described his death as a gangland-style shooting.

Jaffe later told the Express-News that he regretted helping Kerwin, whom Jaffe had helped get a reduction in an income-tax evasion sentence and then given a job. Jaffe lost about \$250,000 as a result of Kerwin's dealings.

In 1972, Jaffe made a bid to buy King's Castle Hotel Casino at Lake Tahoe, Nev.

In 1981, both Morris and Doug Jaffe's names made the news during the trial of Tim O'Leary on drug charges. O'Leary was in the oil exploration business with Doug Jaffe, according to news reports at the time.

The Jaffes said they knew nothing of O'Leary's questionable activities.

A U.S. Drug Enforcement Administration agent testified that agency files showed that Jaffe was an acquaintance of crime boss Marcello.

Agent Dennis Harker testified

that DEA files showed only that Morris Jaffe knew Marcello and did not link him to drugs or other illegal activity.

Jaffe called it a smear attempt.

Doug Jaffe, 38, dropped out of school in the 10th grade, a decision that severed ties with his father for 10 years.

Doug is the older son and has a brother and four sisters. They are Jeffrey, Jennifer, Judy, Jana and Jolie.

Dropping out of school, however, did not hold Doug Jaffe back. He started a successful vending-machine business, which he later sold before getting involved with developing the so-called hush kit for 707 jet engines.

The hush kit developed by Jaffe and some partners enabled 707s to reduce their noise level and meet federally mandated noise limits.



Texas House Speaker Gib Lewis questions attacks on business dealings of U.S. House speaker.

# Developer says Wright will overcome political hurdles

Associated Press

FORT WORTH — House Speaker Jim Wright's wife gave important investment advice to the Fort Worth partnership that has become part of the inquiry by a House ethics committee of Wright, says chief partner George Mallick.

"She earned her money," Mallick told the Fort Worth Star-Telegram in an exclusive interview. "She was a bona-fide employee."

Mrs. Wright's work for Mallightco was questioned in a report released Monday by the House ethics committee, which said that about \$145,000 the Wrights were paid by Mallick should have been considered a gift and reported.

Most of that money came in the form of an \$18,000-a-year salary and other benefits paid to Mrs. Wright, who was an employee of the partner-

ship formed by the Wrights and Mallicks.

The ethics committee's special counsel, Richard Phelan, said in a statement April 11 that Betty Wright had failed to document that she worked more than 12 days over a four-year period for Mallick. An attorney for Jim Wright, William Oldaker, said he presented "specific testimony" that she worked five to seven days a month.

Mallick said Mrs. Wright was "an integral part of the decision-making" when Mallightco was considering investments.

In one instance, on her advice, Mallick said he changed his mind and decided against entering into an oil company deal in which Mallightco "would have lost at least \$25,000 and maybe up to \$200,000."

The House ethics committee is trying to determine whether Mallick

tried to influence legislation through his relationship to Wright.

Mallick said he never has.

Mallick criticized Phelan's report, saying he was "convinced (the report) was written in the cycle of the full moon — it's lunacy."

He said Wright had no knowledge of a 1988 gas well investment in which the partnership, Mallightco Inc., turned a \$340,880 profit because the speaker had put his holdings in a blind trust in 1987.

The transaction greatly enhanced the Wrights' stake in Mallightco shortly before the Mallicks bought out the Wrights for \$350,000, he said.

Mallick predicted Wright would overcome his political difficulties.

"He hasn't done anything wrong. He hasn't broken any rule," Mallick said. "Mr. Phelan's report is full of half-truths, innuendo and, in some cases — in a number of cases — it



House Speaker Jim Wright has been probed by ethics panel.

is outright untruthful.

"He will remain as speaker, even stronger than before. Ten years from now, Jim Wright will be writing his memoirs. I'll be playing with my grandchildren and we will all have forgotten this travesty."

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# Wright: Committee too slow

Los Angeles Times Service

WASHINGTON — House Speaker Jim Wright accused the ethics committee of dragging its feet on the allegations against him Thursday, while the Republican leader who brought the charges in the first place suggested Democrats will try to nudge Wright aside before his case can reach the full House.

"I would be very surprised if the senior members of the Democratic leadership don't try to talk the speaker into stepping down before going through the agony of a public defense, public cross-examination," said U.S. Rep. Newt Gingrich of Georgia, the GOP whip.

Gingrich said he still believes that U.S. Rep. Thomas Foley, D-Wash., now the majority leader, will be speaker before the end of June.

Meanwhile, published reports indicated that a Texas oil deal that brought a huge profit to Wright last year involved businessmen with an interest in a \$3 billion Air Force jet trainer program now being studied by Congress.

On Capitol Hill, Wright, D-Fort Worth, said, "We've met all the requirements" to move to the next phase of the case, in which he wants to confront his accusers personally and try to knock down the 69 formal allegations issued by the ethics committee on Monday.

The speaker particularly blamed special outside counsel Richard Phelan for what he termed the delay. "I'm puzzled as to why he is dragging his feet," Wright told a reporter. "We're very anxious to have the matter resolved as soon as possible."

"It's a little bit distracting that I write letters to the chairman and ranking minority member of the committee and get a reply from Mr. Phelan, and it's always some foot dragging," Wright said. "I'm anxious to let them ask me questions. I am certain the charges can be answered emphatically and absolutely."

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House Speaker Jim Wright  
is subject of ethics probe.

## Wright trustee describes Jaffe link

New York Times Service

WASHINGTON — The 1988 oil well deal under scrutiny by the congressional panel investigating House Speaker Jim Wright was arranged when he was under a financial strain and seeking to liquidate his share of an investment company to pay a debt, his financial trustee said Friday.

The oil deal produced a quick \$340,000 profit for the investment company, Mallightco, which Wright owned with George Mallick, a Fort Worth developer.

### Jaffe's judgment

Mallick said in an interview in his Texas office that his decision to make one last investment for the speaker, in that well, before Wright liquidated his share of the company, was based entirely on the judgment of Morris D. Jaffe, a San Antonio entrepreneur whose son, M.D. "Doug" Jaffe, put the deal together.

The House ethics committee is examining Mallightco's investment in the well, near Beaumont, which produced windfall profits for Wright's blind trust.

Thomas H. Law, the lawyer managing the blind trust, said in an interview that in late 1987 Wright was badly in need of cash to make a major payment on a loan when Mallightco decided to invest in the oil exploration project, the North Sabine Lake Prospect.

According to Law, the speaker had borrowed

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Express-News A-1 & 11

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APR 24 1989		
FBI — SAN ANTONIO		

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# Jaffe family linked to oil deal

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\$100,000 from the First Republic Bank of Mineral Springs to buy stock in Jewell Enterprises, a buyer and seller of nursing homes.

The loan was at first secured with the Jewell stock, but the company went bankrupt when Wright still owed the bank \$65,000, and the stock was rendered worthless. In addition to the money he owed the bank, which was demanding payment, Wright owed Jewell creditors \$13,000.

Law said that in early 1988 he had as many as three conversations with Mallick regarding Wright's financial condition and told Mallick that the speaker needed cash no later than July of that year.

Law said he could not recall whether the conversation occurred before or after Mallick advised him that a potentially profitable oil deal was in the works.

Mallick said separately that he did not remember the conversation "and if I had it, it had no influence on my actions."

Mallick said he initially knew little about the project, but that he was convinced it was a sound investment when Morris Jaffe told him he was putting his grandchildren's trust money into the deal.

"I am not an oil expert," said Mallick, who at one point had \$1.5 million in oil and gas investments, according to the ethics committee report.

"What really made me go into it," he continued, "is Morris Jaffe had his grandchildren's trust funds. I figured if he put his money into it, I'd follow him into it."

Mallick and Wright were equal owners with their wives in Mallightco, a holding company that invested in the oil deal as well as in securities, real estate and gemstones.

The Jaffe Energy Corp., headed by Morris Jaffe's son, Doug, brokered the sale of a stake in the Sabine Lake project for Mallightco, according to the report of the House Committee on Standards and Official Conduct.

The project proved a bonanza for the investment company and Wright, who liquidated his interest for a handsome profit barely a month after the oil deal was consummated.

Mallick's son, acting for Mallightco to keep the company's name out of the public eye, signed a letter of intent to buy a 4 percent stake in the Sabine Lake venture in January 1988, putting up \$9,120 to cover a share of drilling costs.

Drilling that spring produced scant signs of commercially salable flows of oil or gas. But on the day the letter of intent was legally executed, May 10, Mallightco sold its 4 percent stake to a West German-run company for \$440,000.

When other drilling costs were deducted, Mallightco reaped a profit of nearly \$342,000 on the deal, or almost 40 times its investment.

On June 9, Mallightco bought out Wright's half of Mallightco for \$350,000, less some \$80,000 in debts.

In separate interviews in Fort Worth, Law and Mallick ardently defended Wright's conduct of his financial affairs. Mallick called the House ethics panel's report "damn lies" and charged that its special counsel, Richard J. Phelan, was motivated by a "personal agenda."

Phelan's report, made public Monday, suggests further inquiry into the Sabine Lake venture and other aspects of Wright's personal dealings. But he concluded that Mallightco and others in effect gave money to Wright by the generous terms of the oil venture and by liquidating Wright's half of Mallightco.

Phelan's report did not conclude whether Wright knew that his friend and business partner, Mallick, was investing Mallightco's money in the oil venture.

Wright has said Mallightco was placed in a qualified blind trust by

the time the Sabine Lake deal was made, so that he had no knowledge of the investment.

When that blind trust was set up in October 1987, Law said, Wright said his top priority was to settle debts incurred from his disastrous investment in Jewell Enterprises.

Earlier the speaker had borrowed \$100,000 to buy stock in Jewell Enterprises, a buyer and seller of nursing homes. The loan was secured with the Jewell stock, but the company went bankrupt and the worthless stock could not be used to repay the debt.

Wright owed more than \$65,000 on the loan, Law said. Moreover, he owed \$13,596 to Jewell's creditors under the bankruptcy settlement as a stockholder in the company, Law added.

Law said he arranged to repay the

loan in installments, with the first major payment due in July 1988 and the rest due by the end of the year. Wright's Mallightco holdings were the only source of cash because the speaker held no other sizable liquid assets, Law said.

In early 1988, Law said, Mallick said he was optimistic about "substantially increasing the value of Mallightco" through an oil and gas deal. His son then arranged with Doug Jaffe to purchase a stake in the Sabine well.

But by late April 1988, tests revealed alarming declines in the well's production, the House report by Phelan said. That same month, Doug Jaffe began advising Mallightco to sell the investment to a German-controlled company with links to the Jaffes, Union Rheinische Petroleum Inc.

(Mount Clipping in Space Below)

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San Antonio Light A-1

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# Defense contractor has ties to Jaffe

**By JIM MICHAELS**  
Staff reporter

A key figure in a business deal that gave House Speaker Jim Wright a large windfall from a dry oil well is a German defense contractor that reportedly deals in aircraft and aircraft technology, sources have said.

The latest revelation raises fresh questions because at the time that San Antonio businessman Doug Jaffe bro-

kered the deal benefiting Wright, one of his companies was trying to sell an experimental version of a training aircraft to the Pentagon.

The Air Force's program to replace the aging T-37 trainers still is in a preliminary stage, but could be worth \$3 billion once a firm is chosen to build a replacement trainer.

Meanwhile, members from the House Ethics Committee are expected Monday in San Antonio to begin ques-

tioning Jaffe privately about the energy deal, which threatens to be the most damaging revelation yet concerning Wright's finances.

The latest wrinkle in the unfolding controversy involves Friedemann Striegel, who reportedly has been on the board of at least one European defense contractor and runs an import-export business that deals in aircraft and, a source close to Jaffe said, munitions. Please turn to JAFFE/A10

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# JAFFE: Linked to defense contractor

JAFFE/from A1

tions and weaponry. The source said Jaffe and Striegel have been longtime business partners.

It was a firm chaired by Striegel, 56, that purchased the dry well from Jaffe, resulting in a \$340,000 profit for Wright's blind trust.

Interviews and records show that Striegel, whose main office is in Munich, and several other German businessmen have dealt with Jaffe at least since 1981, raising questions about whether this was an "arms length" deal.

Flight records show that Striegel has flown between San Antonio and Mexico a number of times over the past five years in a Lear Jet registered to one of Jaffe's companies.

Striegel, Jaffe and Hans Gerd Schneider, another German businessman, are connected through a complex web of companies registered here and in Germany that is hard to penetrate.

In the oil deal, Jaffe sold an interest in the well, which he had purchased for \$9,120, to a company called Union Rheinische Petroleum Inc., a subsidiary of a large West German energy conglomerate.

Union Rheinische purchased the interest for \$440,000, even though the well was not



*Members from the House Ethics Committee are expected to arrive Monday in San Antonio to begin questioning Jaffe privately about the energy deal.*



productive.

Wright has said he knew nothing of the deal, which gave a windfall to Mallightco, Wright's holding company controlled by his friend, Fort Worth businessman George Mallick.

The Jaffe deal, which was revealed Monday in an ethics panel report, has begun to focus attention on any dealings Jaffe may have had with the government.

One of Jaffe's firms, Jaffe Aerospace, is hoping to sell the experimental trainer plane to the U.S. Air Force when the service begins the for-

mal selection process in 1994.

The program will be partially administered by the Air Training Command at Randolph Air Force Base.

A Jaffe prototype aircraft was tested by Randolph officials last November, but during a test flight in Ohio in January the prototype crashed, Air Force officials said.

Jaffe's is one of three U.S. companies that were in competition as of February. The other two American companies were defense giants McDonnell Douglas and Grumman - firms that have far more resources than the comparatively tiny San Antonio firm.

While McDonnell Douglas and Grumman have teamed up with foreign concerns to build the trainer, Jaffe's entrant is a wholly U.S.-designed and built plane, according to statements made earlier to the press.

The Jaffe entrant was based on a design from Swearingen Aviation Corp., a San Antonio firm.

Jaffe, a son of Morris Jaffe, the builder of Central Park Mall, also is involved in a lucrative business that retrofits Boeing 707s with "hush kits" so that they meet federal noise standards.

The retrofitting is done under a complex arrangement with Tracor Aviation Inc.

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4

# Wright criticizes delays in allegations against him

WASHINGTON (AP) - House Speaker Jim Wright accused the Ethics Committee of dragging its feet on the allegations against him Thursday, while the Republican leader who brought the charges in the first place suggested Democrats will try to nudge Wright aside before his case can reach the full House.

"I would be very surprised if the senior members of the Democratic leadership don't try to talk the speaker into stepping down before going through the agony of a public defense, public cross examination," said Rep. Newt Gingrich of Georgia, the GOP whip.

Gingrich said he still believes that Rep. Thomas Foley of Washington, now the majority leader, will be speaker before the end of June.

On Capitol Hill, Wright said "we've met all the requirements" to move to the next phase of the case, in which the Texas Democrat wants to confront his accusers personally and try to knock down the 69 formal allegations issued by the Ethics Committee on Monday.

The speaker particularly blamed special outside counsel Richard Phelan for what he termed the delay.

"I'm puzzled as to why he is dragging his feet," Wright told a reporter. "We're very anxious to have the matter resolved as soon as possible.

"It's a little bit distracting that I write letters to the chairman and ranking minority member of the committee and get a reply from Mr. Phelan, and it's always some foot dragging. I'm anxious to let them ask me questions. I am certain the charges can be answered emphatically and absolutely."

A Wright supporter, Rep. Charles Wilson, D-Texas, accused Phelan of leaving the speaker to be battered in the news media.

"A la John Tower, the prosecutor figures as long as he can delay, it's worse for the accused. People have a sense of guilt," Wilson said after a meeting with Wright and aides to plan political strategy.



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(Indicate page, name of newspaper, city and state.)

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4

# Attorney says speaker needed cash

By **ROB REHG**  
Washington bureau

WASHINGTON - Thomas Law, the Texas attorney who manages House Speaker Jim Wright's blind trust, Thursday said Wright is a "poor businessman" who needed money in a hurry last year to pay off a \$100,000 debt.

The House Ethics Committee is probing whether Wright's need for a large sum of cash may have led his business partner, George Mallick, to invest in an oil and natu-

ral gas drilling venture, known as the North Sabine Lake Prospect in Orange County.

The ethics panel, which this week concluded there is "reason to believe" Wright had committed 69 violations of congressional rules limiting outside income and gifts, now is trying to learn also whether Wright knew details of the Sabine drilling venture, which paid huge profits to him even though it turned out to be a dry hole.

Law, a 70-year-old Fort Worth attorney, said in a telephone inter-

view Thursday that Wright directed him in October 1987 to establish a blind trust that would accomplish two goals:

- Liquidate stocks owned by Wright and his wife, Betty, in Mallightco Inc., a joint investment company owned by the Wrights and Mallick and his wife, Marlene.

- Yield enough cash to pay off both the \$100,000 debt from a failed investment and a \$84,025 debt that the Wrights owed to Mallightco.

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# Texans in Wright petroleum deal seek share in Air Force program

Los Angeles Times Service

LOS ANGELES — Texas businessmen involved in a petroleum deal that produced windfall profits for the blind trust of House Speaker Jim Wright, D-Texas, also have been seeking to share in a \$3 billion Air Force development program being studied by Congress, the Los Angeles Times learned Wednesday.

The businessmen's interest in the Air Force program — a massive package of contracts for developing the nation's next jet pilot-training aircraft — raises new questions about a matter under investigation by the House Ethics Committee.

In its report Monday on Wright's financial dealings, the ethics panel disclosed a transaction last year in which Wright and his associates purchased a 4 percent interest in an oil and gas well for \$99,000 and immediately sold it at a \$341,000 profit.

The committee's special counsel, Richard Phelan, raised questions about whether the companies involved in the transaction could have had a direct interest in any matter pending before Congress. Phelan also said that investigators needed to determine whether Wright had knowledge of the deal.

Many details of the affair are murky, and the Ethics Committee has refused to comment further until its investigation is completed. But, it seems clear that a company allied with the firms that arranged the deal benefiting Wright also had separate and substantial interests before Congress.

This is what has emerged from corporate records and interviews with sources in Congress and the aerospace industry:

Wright and his partners, in a private investment group called Mallightco, purchased May 10, 1988, an interest in an oil and gas well near Beaumont from Jaffe Energy Corp. That same day, Mallightco entered into a complex loan arrange-

## British scandal.....12-F

ment that, in effect, sold its interest in the well to Union Rheinische Petroleum Inc. Congressional investigators estimate that Union Rheinische paid up to six times as much as the well was worth.

The \$341,000 profit increased the value of Wright's stock in Mallightco — and this benefited Wright when his partner, George A. Mallick Jr., bought the stock back from him a month later for \$350,000.

The Times has learned that close ties exist between Jaffe and Union Rheinische — suggesting that the deal that paid Wright a handsome profit may not have been an arms-length business transaction.

According to state corporation records in Austin, Jefferson D. Prestridge, a vice president of Union Rheinische Petroleum, had been a vice president of Jaffe Energy two years earlier.

Prestridge, who describes himself as a consulting geologist, maintains an office with Morris D. "Doug" Jaffe Jr., a principal partner in Jaffe Energy, in San Antonio. No one there would discuss his business ties to Jaffe, but a woman in Jaffe's office who took messages for Prestridge said that the geologist also had an office there.

Jaffe Energy is one of more than 65 companies owned by a wealthy San Antonio family with long-established ties to Texas Democratic Party officials.

One of the Jaffe companies, Jaffe Aerospace Corp., has shown an active interest in the Air Force's search for a new basic trainer aircraft to replace the aging T-37. The company sent a demonstration plane to Wright-Patterson AFB in Dayton, Ohio, in January, an Air Force official said. But it crashed 10 minutes after takeoff, killing the com-

pany pilot and an Air Force captain, according to the National Transportation Safety Board.

Wright had no knowledge of the oil and gas deal, a spokesman has said, because his Mallightco stock was in a blind trust. It could not be determined whether Wright had any knowledge of Jaffe's interest in the Air Force program. His press secretary, Mark Johnson, did not return a reporter's phone call.

The Jaffe companies — owned by M.D. "Morris" Jaffe Sr. and his son M.D. "Doug" Jaffe Jr. — include oil ventures, a large shopping center and other real estate developments. Jaffe Aerospace Corp. mainly refurbishes airplanes, but the aircraft it offered to the Air Force as a trainer was an experimental plane designed by a person who markets home-built plane kits.

Last February, the Air Force delivered to House and Senate Armed Services committees a report saying that, in 1986, it wanted to begin buying "off-the-shelf" business jets for pilot training. The Pentagon said that it hoped to spend more than \$3 billion to buy 538 of the basic trainers for the Air Force.

An Air Force spokesman said that no requests for proposals have yet been submitted but that about 20 aircraft concerns from around the world had expressed an interest. The only three U.S. companies to have shown an interest so far are Grumman Corp., McDonnell Douglas Corp. and Jaffe Aerospace.

The 1988 deal centering on an oil and gas well in Sabine Lake off the Gulf of Mexico was initiated by Doug Jaffe and Mallick's son, Michael, according to an Ethics Committee report. The report said that the sons "met through their fathers and became friendly as well."

The elder Mallick testified to the committee that he had met Morris Jaffe in 1968 when both

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

Express-News E-8

Date: 4/20/89

Edition: Metro

Title: Texans in Wright petroleum deal seek share in Air Force program

ion: 58-0  
Office: San Antonio

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SERIALIZED ☒ FILED ☒  
APR 25 1989  
FBI — SAN ANTONIO



House Speaker Jim Wright of Texas is focus of ethics committee probe.

men were working on the Democratic presidential campaign of the late Hubert H. Humphrey.

The elder Jaffe has been a major contributor to the Democratic Party and was a close friend of the late President Lyndon B. Johnson and former House Speaker Sam Rayburn, acquaintances said. A San Antonio businessman, who requested anonymity, said that Jaffe recently had complained to him that Wright had been "abused" by the ethics probe.

Prestridge, the vice president of Union Rheinische Petroleum who maintains a Jaffe office, did not return repeated calls to his office and home. He told the Wall Street Journal earlier this week that the oil well deal was arranged between Jaffe and Union Rheinische executives in Germany.

"I signed no contracts regarding anything to do with that Sabine Lake deal," he told the newspaper.

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

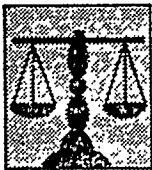
San Antonio Light A-1&amp;10

Date: 4/20/89  
Edition: BusinessTitle: Jaffes' political ties  
go beyond WrightCharacter:  
or  
Classification:  
Submitting Office: San Antonio

Indexing:

# Jaffes' political ties go beyond Wright

By JIM MICHAELS  
and DAVID SHAFFER  
Staff reporters



San Antonio financiers Morris and Doug Jaffe, who brokered a business deal benefiting House Speaker Jim Wright, are fast-moving dealmakers with close personal ties to Wright and other major Democratic politicians.

Discovery of the questionable oil well deal has shifted the House Ethics Committee investigation to San Antonio — where Wright often visited the Jaffes — and brought attention to the tangled web of nearly 50 enterprises that the father-son team have operated without public scrutiny.

The Jaffes have moved quietly for decades in powerful political and business circles that have included Lyndon B. Johnson, former Cabinet member James Schlesinger and former Democratic National Committee Chairman John White.

It is their close ties to Wright, howev-

■ British tabloid prints photo of Wright, ex-call girl/**Page A10**

er, that have drawn the attention of the ethics panel, which plans to question the Jaffes next week in connection with its continuing probe of the speaker's finances.

"He's been a friend of Jim Wright's for quite awhile," U.S. Rep. Albert Bustamante said Wednesday of Morris, the elder Jaffe.

Bustamante, himself a good friend of the Jaffes, is one of several Democratic politicians whose campaigns have received contributions from the family.

It is Doug Jaffe, however, who has the closest working relationship with Wright, according to a close friend of the family.

"The way Douglas has acted and talked, it's like the speaker is his best friend in the world," said the source, who asked not to be identified.

"He (Wright) is in and out of San Antonio frequently, and he's either at dinner with them or at their houses," the friend said. "It's a very, very tight

Please turn to JAFFE/A10

58C-LAF-163152-5  
58-0-150 (A)

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APR 21 1989	
FBI — SAN ANTONIO	

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# JAFFES: Ties to Wright reveal web of deals

JAFFE/from A1 relationship."

The ethics committee is investigating an oil and gas deal that enabled Mallightco - a company partially owned by Wright - to receive \$440,000 for the sale of an interest purchased the same day for \$9,120, according to a report issued Monday.

Doug Jaffe arranged the deal, which was completed in May 1988.

Wright has denied any knowledge of the deal, saying his interest in Mallightco was held in a blind trust.

The Jaffes are expected to tell the committee the deal was set up several months before Mallightco's interest was sold, and that the well had a chance to become profitable.

The committee will want to know if the deal was a legitimate, arm's-length business deal or was intended to funnel money to Wright. The panel also will try to determine if Wright knew about the deal.

But Wright is only one member of a large network of influential business and political leaders with ties to the Jaffes.

The family has been active in Democratic politics since the mid-1960s when Morris Jaffe supported LBJ.

Since then, the family has been a benefactor of many Democratic politicians.

"We consider them fine individuals - and good contributors," said Bexar County Democratic Chairman Joe Hernandez.

The family's ties go beyond San Antonio and Washington. Morris

Jaffe, a 1940 graduate of Jefferson High School, has extensive connections in Mexico. He once said Washington officials asked him to serve as an unofficial emissary to help work out an agreement governing natural gas sales between the two countries.

The elder Jaffe, who flew in the Army Air Corps during World War II, was the personal pilot of Mexican President Miguel Alemán after the war, Bustamante said.

Returning to San Antonio, Morris Jaffe, who attended Jefferson High School, made his fortune in 1952 by making one of the largest uranium discoveries ever in America.

He expanded from there to the oil, gas and real estate businesses, developing subdivisions in San Antonio.

"He's just a natural-born risk taker," said Jim Dement, a San Antonio developer who met Morris Jaffe by walking onto the construction site for Jaffe's Central Park Mall in the early 1960s.

Morris has two sons and four daughters by a first marriage, but it is the eldest son, Doug, who works the closest with his father.

"He's a fast mover," said West Side produce magnate Frank Sepulveda, who bought the Handy Andy grocery store chain from the Jaffes. "He's got so many things to do that before you realize it, he's gone."

The Jaffes are involved in nearly 50 enterprises, including ventures in aviation, real estate and energy.

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

San Antonio Light A-1&amp;10

Date: 4/20/89

Edition: Final

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Character:

or

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Submitting Office: San Antonio

Indexing:

S

## Jaffe to talk to ethics panel

By JIM MICHAELS  
Staff reporter

Prominent San Antonio businessman Morris "Doug" Jaffe Jr. said he has agreed to meet with U.S. House Ethics Committee officials next week to answer questions about an oil well deal that has become the center of the panel's probe into Speaker Jim Wright's finances.

Jaffe, whose explanation of the deal could be pivotal in the continuing probe into the speaker's finances, Tuesday said he could not

comment on details of the transaction on the advice of ethics panel staffers, who contacted him Monday and asked to meet with him.

A business deal arranged between Jaffe and the son of a close friend of Wright's enabled the speaker's holding company to receive \$440,000 for an interest in an oil well that they had purchased the same day for \$9,120, according to the ethics panel report.

From information released by the ethics panel and gathered from corporate records it appears that

Please turn to JAFFE/A10

## JAFFE: Meeting scheduled

JAFFE/from A1

Jaffe sold the property and then on the same day a company he is connected to bought it back at the substantial mark up.

Jaffe owns a tangled web of more than 40 firms related to oil and gas exploration, aviation and other fields. The elder Jaffe, Morris Sr., long a figure in local Democratic politics and close associate of Lyndon B. Johnson, owns Central Park Mall.

The elder Jaffe is a secretive financier who continued through the 1970s and early '80s to maintain powerful connections at the state and national level in Democratic Party politics.

He also has excellent political connections in Mexico. His former wife, Jeanette, was married to Chito Longoria, a well-known Mexican financier.

In recent years, Doug Jaffe has come into his own as a businessman, operating out of a multistory corporate headquarters near the San Antonio International Airport. Among his companies are several which buy, refurbish and sell used jetliners, as well as another which is developing experimental aircraft.

Emerging from the elder Jaffe's plush office suite in the mall Tuesday at noon, the father and son declined to elaborate on the matter, except to say that they would talk with panel staffers and they have not received subpoenas in connection with the

investigation.

"I just don't think it's appropriate (to discuss the matter) until we've talked to them (staffers)," Doug Jaffe said.

The ethics panel is continuing to look into the arrangement, but has not yet determined whether it violated House rules.

The ethics committee report detailed a complex agreement where Doug Jaffe sold a 4 percent interest in an oil property called the North Sabine Lake prospect to Mallightco for \$9,120.

Mallightco is a partnership established by Wright and George Mallick, a friend and associate of Wright's who has been central to the panel's probe.

Wright's interest in Mallightco was held in a blind trust and he has said through a spokesman that he had no knowledge of the oil well deal that he would have profited handsomely from.

On the same day - May 10 - Mallightco bought the property from a Jaffe-owned firm, the company turned around and sold the 4 percent interest to a German firm that is connected to Jaffe for \$440,000.

The firm, Union Rheinische Petroleum Inc., lists as its San Antonio address, the younger Jaffe's sleek corporate headquarters adjacent to San Antonio International Airport.

In addition, one of Union Rheinische's vice president's, Jeff Prestridge, has an office next to Jaffe's.

(Mount Clipping in Space Below)

# Wright presses defense in caucus

New York Times Service

WASHINGTON — House Speaker Jim Wright escalated his defense both privately and publicly on Tuesday, trying to shore up support among his fellow Democrats and releasing documents to buttress his contention that his wife earned the salary paid her by an investment company.

Wright, D-Fort Worth, appeared before a closed meeting of the House Democratic Caucus on Tuesday morning to outline his rebuttal to charges brought Monday by the House ethics committee.

In addressing the caucus, he emphasized his response to the accusation that the salary and benefits that his wife, Betty, received from the company over a number of years

**See WRIGHT, Page 5-A**

(Indicate page, name of newspaper, city and state.)

Express-News A-1 &amp; 5

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in caucus

Character:

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APR 24 1989	
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**Continued from 1-A**

was actually an impermissible gift to him from a Fort Worth developer who had joined with the Wrights in creating the company.

"I told them I had never done anything to dishonor this House and I never will," Wright told reporters later. "I intend to fight, and I intend to win."

The speaker also released affidavits from two Texas business people who said Mrs. Wright had met with them and explored various opportunities in which the company Mallightco, might invest with them.

"The fact is my wife, Betty, did work and earned her pay," Wright said.

Wright listed a number of her responsibilities, saying she had given investment advice, reviewed financial documents and traveled for her job. He also gave a list of investment

possibilities that he said she had studied for the company.

But a grim mood and a growing sense of crisis were settling on House Democrats, a sense that the battle over Wright's ethics had entered a new phase with the issuance of the charges by the House ethics panel, the Committee on Standards of Official Conduct, which accused him of 69 instances of rules violations.

The accusations fall into broad categories of charges: one, that at various times the Fort Worth developer, George Mallick, had a direct interest in legislation pending before the House and that therefore, absent evidence that Mrs. Wright had done any work for the company, her pay was an impermissible gift to the Speaker; and second, that the speaker had sought to skirt House limits on outside income by selling copies of a book he wrote to groups

he addressed. Royalties on book sales are not subject to the House limits.

In a statement on Tuesday, Wright defended himself once again from the charge relating to his book, "Reflections of a Public Man."

"I continue to read the rule as saying that there is a blanket exclusion of copyright royalties from the outside earning limits," the statement said.

In addition to the charges already brought against Wright, the ethics committee is still investigating a potentially serious matter.

The committee has subpoenaed participants in a deal in which Mallightco bought an interest in a nonproducing oil and gas well for \$9,120 last May and later sold it for \$440,000. Both Wright and the administrator of his blind trust, which held his stock in the investment company, said they did not know about



the deal until a few days ago. The deal was organized by Michael Mallick, son of George Mallick.

The speaker received a standing ovation at the meeting of the House Democratic Caucus on Tuesday morning, and several influential Democrats rose to speak on his behalf, arguing that the ethics committee and its outside counsel had interpreted House rules in ways never intended.

But the outward signs of support could not mask the deep concern among House Democrats. Whatever the substantive merits of Wright's defense, many members said, the weight of public opinion will be difficult to manage.

Members of the House, which recessed Tuesday until next Tuesday, said the reaction back home would be critical to the Speaker's fate.

"The easy thing for a Democrat to do is throw Jim Wright over the side

and instantly install Tom Foley behind the wheel," said Rep. Pat Williams, D-Mont., referring to the House majority leader, Thomas S. Foley of Washington.

"The easy political vote here is to get rid of Jim Wright. Maybe the toughest political vote of our life is to vote to save him. It puts the pay raise to shame."

A New York Times-CBS News Poll, conducted just before the ethics committee issued its charges, suggests that Wright has some difficulties with the public but that the vast plurality has yet to form an opinion about him.

The survey, of 1,412 adults around the country, was conducted by telephone from last Thursday through Sunday. It found that 7 percent viewed Wright favorably, 17 percent viewed him unfavorably, and 24 percent were undecided.

But 50 percent said they had not

heard enough to make up their minds. The survey's margin of sampling error was plus or minus three percentage points.

With the deluge of news coverage this week around the committee's report, Wright and his allies are eager to seize the initiative and mount a speedy defense.

The speaker had asked to appear before the ethics committee and testify in his own defense as quickly as possible.

But the committee chairman, Rep. Julian C. Dixon, D-Calif., made it clear Tuesday that he would follow normal procedures, which could take far longer than Wright would like.

In the meantime, the speaker was arguing his case to the public. At a news conference, he took aim at the committee's statement that there was "no evidence" that Mrs. Wright had performed work for her \$18,000-a-year salary from Mallightco.

(Indicate page, name of newspaper, city and state.)

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or

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(Mount Clipping in Space Below)

# Panel may seek Jaffe's testimony

By MARK SMITH

Express-News Washington Bureau

WASHINGTON — San Antonio businessman Douglas Jaffe may be called before the House ethics committee to explain how he calculated an oil well deal that allegedly benefited House Speaker Jim Wright.

The committee hopes to conclude its investigation into the oil and gas deal involving Wright and Jaffe "very, very shortly," officials said.

Committee spokesman John Davison refused to say who will be called to testify but would not rule out calling Jaffe.

House ethics officials Tuesday declined to give an exact time frame but said they will "pursue a thorough investigation" into the deal. No committee meetings had been scheduled as of late Tuesday, they said.

The House Ethics Committee charged Monday that Wright violated official rules of conduct 69 times by not disclosing thousands of dollars in alleged gifts and by skirting rules on speaking fees through bulk book sales.

The committee, however, said it will continue its investigation into a previously undisclosed oil deal that enabled Wright to turn a \$210,000 profit

## Wright's quick profits came from Jaffe office

on a \$58,000 investment within four months.

The committee will also investigate whether the companies involved in the transaction with Wright's business partner, George Mallick, had a direct interest in legislation before Congress.

The transaction, which came to the attention of the committee Nov. 28, centers on an oil and gas well in Sabine Lake, near the Texas-Louisiana border, House ethics committee chairman Julian Dixon, D-Calif., said.

The Mallick-Wright investment company, known as Mallightco, bought an interest in the well in January, 1988, from Jaffe Energy Inc., and sold it in either late April or early May of that year for a figure investigators believe may have been six times as much as it was worth.

Union Rheinesche Petroleum Inc., which bought Mallightco's Sabine interest for \$440,000,

has the same San Antonio phone number and appears to have corporate links to Jaffe Energy, the corporation that sold the oil interest to Mallightco for, in effect, \$90,000.

J. Randolph "J.R." Ewing established Union Rheinesche Petroleum.

The House Ethics Committee said in its report released Monday that it wants to determine whether Wright knew about the 1988 deal, although his holdings were reportedly held in a blind trust.

"We need to learn whether Michael Mallick actually received an opinion from Douglas Jaffe, and if so why Mallick relied exclusively on Jaffe's opinion," according to the ethics committee's report.

"We need to determine the basis for Jaffe's opinion. If Michael Mallick knew the well was not really worth \$50,000, we need to determine whether he intended to make a gift to Wright or Wright's blind trust, and we need to learn what Wright knew of the transaction," the report states.

Jaffe could not be reached for comment Tuesday.

Express-News Business Writer Mike Davis and the Los Angeles Times contributed to this story.

58C-WF-162158-2 (A)

58-0-150

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APR 21 1989

FBI — SAN ANTONIO



ASSOCIATED PRESS

House Speaker Jim Wright salutes reporters Tuesday after addressing the House on ethics charges leveled against him.

# Memorandum



To : SAC, SAN ANTONIO (58C-0)

Date 4/24/89

From : SSA [redacted]

Subject: JAMES C. WRIGHT, JR., aka  
Jim,  
United States Representative (D-Tx);  
MORRIS D. JAFFE, SR;

b6  
b7C

[redacted]

[redacted]

[redacted]

b6  
b7C

POSSIBLE BRIBERY/COI (C);  
OO: SAN ANTONIO

During the week of 4/17/89 the media carried extensive stories detailing House Speaker Jim Wright's business dealings with local businessmen [redacted]. According to the media, on 5/10/88, WRIGHT [redacted] dba MALLIGHTCO, purchased a 4 percent interest in an oil and gas well near Beaumont from Jaffe Energy Corp. (JEC) for about \$90,000. At or about the same time, MALLIGHTCO sold this interest to Union Rheinische Petroleum, Inc. (RPI) for about \$440,000.

b6  
b7C

Allegedly, at this time, WRIGHT owed a substantial amount of money on several notes.

Also, at about this same time, Jaffe Aerospace Corp. (JAC) was one of the only three U.S. companies competing to supply the U.S. Air Force with a new basic trainer aircraft.

Based upon these media reports, on 4/18/89 I telephonically contacted Public Corruption Unit Acting Chief [redacted] to discuss the viability of instituting an investigation into this matter. [redacted] advised that he would check with other officials at FBIHQ and the DOJ, and get back with me. On 4/19/89, [redacted] telephonically advised that he had spoken to [redacted] at the Public Integrity Section, DOJ, and, according to the DOJ, the FBI was not to conduct any investigation into this matter until the results of the House Ethics Committee investigation had been reviewed by DOJ. I advised [redacted] that this office would continue to follow this situation.

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2 - San Antonio  
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FBI - SAN ANTONIO	

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58-0-150-1

# Jaffes ordered to testify in D.C.

By **JIM MICHAELS**  
Staff reporter



The House ethics committee ruled Thursday that Morris Jaffe and his son, Doug, who earlier refused to testify before the panel, must appear in Washington next week to answer questions about an oil well deal that benefited House Speaker Jim Wright.

The committee's action could set up a confrontation between the San Antonio businessmen and the ethics panel, which continues to review Wright's finances.

But the Jaffes' attorney, Stanley Brand, appeared to soften his earlier stand and said in a telephone interview from Washington that he would consider the new offer.

"I am reviewing it and will consult with my clients and make a judgment," he said.

He would not elaborate.

Emerging from a 2-hour ethics committee meeting, committee Chairman U.S. Rep. Julian Dixon threatened to file contempt proceedings against the Jaffes and three of their associates who also were scheduled to testify.

All five witnesses refused to testify in hearings earlier this week in San Antonio. The new hearings have been scheduled for next Wednesday and Thursday.

"If they do not then appear before the committee, the committee . . . could in fact contemplate contempt action," said Dixon, D-Calif.

The full House would need to approve such a move, and the case then would have to be turned over to the U.S. attorney's office for prosecution, legal officials said.

Brand, a former counsel to the U.S. House who has represented General Dynamics and the Teamsters union when they appeared before Congress, argued earlier that the committee had overstepped its bounds and gone beyond its original charter.

In his earlier refusal to have his clients testify,  
Please turn to JAFFES/A16

(Indicate page, name of newspaper, city and state.)

San Antonio Light A-1 & 16

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in D.C.

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APR 28 1989	
FBI — SAN ANTONIO	

# JAFFES: Are required to testify before panel in Washington

JAFFES/from A1

Brand said in a letter to the committee that the panel was authorized by Congress to investigate a limited number of allegations, which did not include the Jaffe oil well deal.

Dixon said he responded to Brand's objections Wednesday in a letter stating the committee chairman has the authority to investigate other matters if they are brought up by the full committee.

Phone calls to the Jaffes were not returned.

The Jaffes, low-key San Antonio busi-

nessmen with close ties to Democratic politicians, were named last week in a report from the special counsel investigating Wright's finances.

Dixon, U.S. Rep. John Myers, the panel's ranking Republican, and two committee investigators began closed-door hearings in San Antonio on Monday to take testimony from the Jaffes and other witnesses who knew about the arrangement.

A Louisiana engineering executive, L.R. Brammer, testified Monday. But the Jaffes refused to appear when it was their turn Tuesday.

Three of their associates also refused to show up for the hearing: Dave Myers, an investor; Jeff Prestridge, a geologist; and Marilyn Cherry, a bookkeeper.

The committee is looking into an arrangement in which Doug Jaffe sold an oil well to Mallightco, Wright's blind trust, under an arrangement in which Mallightco put up \$9,120 cash.

Although the well was not a producer, the property then was sold by Mallightco for \$450,000 to a company controlled by a Jaffe business partner.

Friedemann Striegel, who purchased the

well from Mallightco, is a West German defense contractor who is a partner in a number of ventures with Doug Jaffe.

The committee reportedly also is attempting to determine if the Jaffes have any interest in matters before Congress.

Also Thursday, ABC News and correspondent Allan Frank filed a motion with the Bexar County District Court to unseal records of a case allegedly involving the Jaffes, court officials said.

Frank and ABC, also known as Capital Cities/American Broadcasting Company Inc., said in a prepared statement they

filed the motion to have the court records unsealed in the case labeled "Concord Square Venture et al. vs. Sunbelt Savings Association et al."

Presiding Judge Rose Spector set a hearing on the motion for 9 a.m. today.

"The case in Bexar County Court should be unsealed in the public interest to help determine whether the Jaffes might have had a direct interest in legislation involving savings and loans in which Speaker Wright played a key role," ABC and Frank said.

*UPI and State News contributed to this report.*

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

Express-News A-1. &amp; 8

Date: 4/28/89  
Edition: Final

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or  
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# House panel starts work here

BYRON SAMFORD/SAN ANTONIO LIGHT

## Questioning into Jaffe, Wright ties begins with well

By JIM MICHAELS  
Staff reporter

Members of the U.S. House ethics panel looking into dealings by Speaker Jim Wright began several days of closed hearings in San Antonio by questioning an engineering executive about a well that produced a hefty profit but little oil.

Committee members refused to comment on the interview with L.R. Brammer, president of the Shreveport, La.-based engineering firm that oversaw testing and production at the Orange County well, after the session ended about 9 p.m. Monday.

Proceedings were to resume at 10 a.m. today.

The panel was expected to question Doug Jaffe, the San Antonio entrepreneur who is a central figure in the probe, about a deal he brokered that produced a profit of more than \$340,000 for Wright's blind trust.

According to a House ethics panel report released last week, Jaffe sold a 4 percent stake in an oil and gas well in Orange County for \$9,120 to Mallightco, the investment company half-owned by Wright and controlled by his friend, George Mallick.

A company controlled by a West Ger-  
Please turn to HOUSE/A10



**READY TO START:** House ethics panel leaders Julian Dixon and John T. Myers sign in at the Seven Oaks Hotel.

■ Voters yawn at Wright saga/Page A8

FBI/DOJ

# HOUSE: Questioning begins here

HOUSE/from A1

man business partner of Jaffe - on the same day papers were signed to sell the share to Mallightco - bought the interest, resulting in the large profit for Mallightco.

"There was a lot of profit made over a short time," U.S. Rep. John Myers, the committee's ranking Republican, said as he arrived Monday in San Antonio. "It doesn't look good."

Brammer spent more than \$2 million on the well and a sidetrack hole in an attempt to pump oil or gas. Neither operation was successful.

Committee investigators subpoenaed scores of documents in an attempt to determine what effort was made to make the well productive and if it was worth the \$440,000 paid by the West German company.

House ethics panel Chairman U.S. Rep. Julian Dixon would not respond to questions as he arrived at the Seven Oaks Hotel and Conference Center, where the hearings are taking place.

The interviews are being conducted by Dixon, D-Calif., Myers, R-Ind., and two committee staffers.

Before the committee interviews Jaffe and his polit-

ically connected father, Morris, it is expected to hear testimony from geologist Jeff Prestridge, who worked on the oil and gas deal, and a Jaffe employee who handled the bookkeeping, according to a source close to the Jaffes.

Jaffe's Munich-based partner, Friedemann Striegel, has a number of investments in Jaffe's aviation companies.

One matter the committee reportedly is interested in is whether Jaffe would have an interest in any legislation or regulatory matters and whether the oil well arrangement more than a "sweetheart deal" to benefit Wright.

Wright has claimed no knowledge of the deal.

But a look at Jaffe's many operations indicates his companies could be affected by congressional and regulatory decisions.

One of Jaffe's companies has been trying to develop and sell to the Air Force a trainer jet to replace the T-37, a program that eventually could be worth \$3 billion to a contractor.

Jaffe would be competing against such defense giants as Grumman and McDonnell Douglas.



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(Indicate page, name of newspaper, city and state.)

San Antonio Light A-9

Date: 4/27/89  
Edition: Sports FinalTitle: Jaffe firm keeps working  
on possible AF trainer  
jetCharacter:  
or  
Classification: 58-0  
Submitting Office: San Antonio

# Jaffe firm keeps working on possible AF trainer jet

By JIM MICHAELS  
Staff reporter



*The Air Force has said there is no record of Jim Wright contacting the Pentagon about the Jaffe plane.*



A company controlled by Morris Jaffe and his son, Doug, is continuing to develop and market a trainer jet they hope to sell to the Air Force, despite a January crash in which the right wing reportedly fell off in flight.

The SA-32T, which is being touted as a replacement for the Air Force's T-37, will be displayed at the Paris Air Show this year, according to an attorney representing the widow of an Air Force captain killed in the crash.

The attempt by Doug Jaffe to sell the plane to the Air Force received attention after he and his father became central figures in a probe into the finances of U.S. House Speaker Jim Wright.

An oil well deal brokered by the Jaffes produced a \$350,000 profit for a holding company that Wright held a half-interest in.

The House ethics committee is looking into whether that deal was a means of providing Wright with a contribution and whether the Jaffes might have any interests before Congress.

The Air Force trainer plane contract could be worth \$3 billion to the manufacturer that wins the contract. The Air Force has said there is no record of Wright contacting the Pentagon about the Jaffe plane.

A prototype of the airplane that the Jaffes were trying to market to the Air Force crashed Jan. 9 on a test flight at Wright-Patterson Air Force Base in Ohio.

Reports indicated the right wing fell off in flight and the pilots did not have time to bail out.

A lawsuit claiming unspecified damages against Jaffe Aerospace and the plane's designer was filed by the wife of Nathan Carr, the Air Force captain killed in the crash. The suit claims negligence on behalf of the plane's manufacturer and designer.

A Jaffe employee also was killed in the crash.

Pat Maloney, an attorney representing Carr's wife, Mary, said the plane's designer, Ed Swearingen of Swearingen Engineering and Technology, has said the Jaffes will continue to market the plane and have a new prototype prepared for the air show.

"Hopefully, this time the wing won't come off," Maloney said.

Swearingen could not be reached for comment. The Jaffes have not returned a reporter's telephone calls.

The Jaffes and three officials connected with the questionable oil

deal refused to testify before members of the House ethics committee who came to San Antonio this week.

Stanley Brand, the Washington-based attorney representing the Jaffes and three other officials, continued to defend the Jaffes' refusal, saying the subpoenas issued by the committee were invalid.

Panel Chairman Julian Dixon, D-Calif., said he was disappointed by the Jaffes' refusal. He said the panel would consider contempt proceedings.

Brand said the committee would need full House approval before bringing contempt proceedings against the businessmen. He said the process is lengthy.

Brand also refused to say if the Jaffes would cooperate in any way with the panel's inquiry into the oil well deal.

"I'm not going to say there aren't circumstances under which they would testify, but I haven't seen them yet," he said.

In defying the subpoenas, Brand, a former counsel for the House, argued the committee was overstepping its bounds in getting into the Jaffe deal because that was not part of the panel's original charter.

U.S. Rep. Albert Bustamante backed up the Jaffes' decision, saying the committee can become too intrusive.

"Once they go into the books (regarding the oil well deal), they can infer anything," Bustamante said. "I guess if I was in the Jaffes' shoes I'd be doing the same thing, making sure the committee does not abuse their rights."

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(Indicate page, name of newspaper, city and state.)

Express-News B-2

Date: 4/27/89  
Edition: Metro

Title: Wright, others deserve boot

Character:  
or  
Classification: 58-0  
Submitting Office: San Antonio

Indexing:

## Wright, others deserve boot

Sir: The ethics and behavior of our congressmen and other elected and appointed officials should not be merely technically above reproach.

Their ethics and behavior should be above even the perception of wrongdoing and conflict of interest.

House Speaker Jim Wright and members of Congress who support him argue he should not be censured for his various and sundry dealings. They argue he should be censured only if the evidence of guilt is absolutely clear and obvious.

By taking such a position, they show they do not understand what constitutes ethical behavior for a government official. Hence, it is clear and obvious that Wright and his supporters in Congress do not warrant the public's trust.

Wright should be censured and removed as speaker, and Wright and congressmen who support him (condone such behavior) should be voted out of office at the next election.

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(Indicate page, name of newspaper, city and state.)

Express-News B-2

Date: 4/27/89  
Edition: MetroTitle: It's time Wright  
relinquished jobCharacter:  
or 58-0  
Classification: San Antonio  
Submitting Office:

Indexing:

## It's time Wright relinquished job

Sir: There should exist no double standard in Washington, regardless of one's position in the executive branch or Congress.

Since House Speaker Jim Wright received a few hundred thousand dollars thanks to Morris Jaffe and family and the Jaffes had an interest in selling an aircraft to the federal government, it would appear they were buying influence — much like it appeared certain defense contractors were doing with John Tower, the deposed defense secretary-designate.

Therefore, it is only just and fair that the second in line to the presidency should be denied his position of power. It is time for Wright to step down.

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MAY 1 1989	
FBI — SAN ANTONIO	

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# Wright's Texas cronies are chided

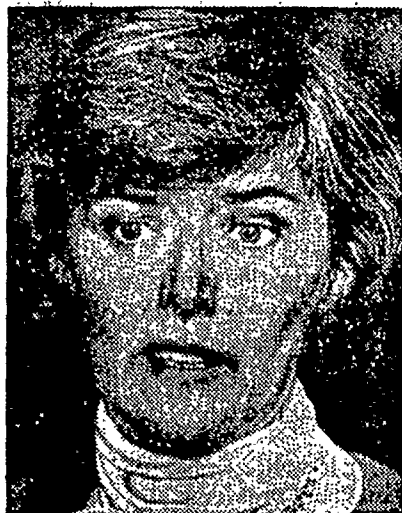
By CHARLES J. LEWIS  
Washington bureau

WASHINGTON — Rep. Pat Schroeder, D-Colo., said Tuesday that House Speaker Jim Wright is being shielded from outside advice by other Texas Democrats who have their "rumps together and horns out" in defense of their embattled colleague.

Schroeder also suggested that Wright might be helped by a public acknowledgment of possible wrongdoing instead of the defense he is planning before the House ethics panel. But she said this approach was unlikely because "it's like coming from Texas means you never have to say you're sorry."

She also said Wright's restitution of book royalties would make "a lot of sense." She said the "book stuff is probably the toughest thing" among the 69 allegations that the House ethics committee lodged against the speaker last week.

She said Wright's use of book



*It's like, coming from Texas means you never have to say you're sorry.*

— U.S. REP. PAT SCHROEDER  
On Wright's troubles

out of the chalk blocks. He obviously doesn't have the warm, fuzzy Teddy Bear thing that Tip did," she added, referring to Wright's predecessor, Thomas "Tip" O'Neill.

The congresswoman said that "one of the most troubling things of all the ethics stuff I'm seeing is that it's almost like if you're likable, it doesn't matter. But if you're not likable, by God, we're going to string you up by your toes. And that's not what the Constitution says."

Schroeder also predicted that House Democrats would stand by Wright if the House committee recommends censure or reprimand but "the higher the penalty, the harder it gets to hold" the Democrats together.

Asserting that there is "a stampede mentality" in the House, she declined to say whether she would stand by Wright. Schroeder said she would wait to see what the ethics committee recommends.

"I stamped, too," she said.

royalties to get around the House ceiling on speaking fees was not similar to using a tax loophole to avoid paying federal income taxes because the ethics code says it is wrong to devise ways around the limit.

Schroeder, in a meeting with reporters, praised Wright as a "very bright" House speaker.

"He's very hard charging and very task-oriented. (Wright's style) is very efficient. The trains are running on time. Legislation is moving

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(Indicate page, name of newspaper, city and state.)

San Antonio Light A-5

Date: 4/26/89

Edition: Sports Final

Title: Wright's Texas cronies are chided

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58-0-150-21 (7)

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APR 27 1989	
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# Is it beginning of the end for Wright?

## Committee charges speaker with 69 ethics violations

By **ELAINE POVICH**  
and **STEVE DALEY**  
Chicago Tribune

WASHINGTON - Formal charges Monday that House Speaker Jim Wright violated dozens of House rules continue a process that could spell the end of his four-decade public career.

The charges, stunning in their scope and severity, are tantamount to an internal indictment of the man who is second in the line of presidential succession.

They were endorsed by all 12 members of the House Committee on Standards of Official Conduct - six Democrats and six Republicans - softened only by a caution from the panel's chairman, Julian Dixon, D-Calif., that Wright "has not yet been found guilty of any violation."

Specifically, the committee, which has spent 10 months and \$1.5 million in its investigation conducted by its outside counsel, Chicago lawyer Richard Phelan, found "reason to believe" that in 69 instances Wright was in violation of House rules in two areas of private financial activities.

It is alleged that he attempted to circumvent the limitations on outside income through bulk sales of a book he wrote and that he failed to report gifts from a family friend and business partner who had a direct interest in legislation.

Wright, 66, who was speaking to a labor group as the committee presented its report, said: "I know in my heart I have not violated any of the rules of that institution."

He said he had asked "very urgently" for a meeting with the committee "to confront them, to confront the allegations head-on, face-to-face."

According to House procedures, the committee will allow Wright and his lawyer, William Oldaker, 21 days to respond to the allegations, though that step could be abbreviated.

The committee then has 30 days to decide if a public disciplinary hearing should be held and what punishment, if any, the panel should recommend to the House. The punishment could be as light as

(Indicate page, name of newspaper, city and state.)

San Antonio Light A-4

4/25/89

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Sports Final

Title: It is beginning of the end ~~for~~ Wright?

Character:

or

Classification:

58-0

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San Antonio

Indexing:

a letter of reproof or as severe as expulsion from the House.

"At this point in the proceedings," Dixon said, "we are acting as judges."

Oldaker on Monday said he would ask that the Texas Democrat be allowed to rebut the committee's charges "very shortly."

Meeting with reporters late in the day, Wright said, "I want the earliest possible opportunity to get this resolved decisively and definitively and get it behind us."

Oldaker characterized the committee's charges as "Orwellian, calling them 'a lot of noise, a lot of clamoring, but very little substance.'"

One member of the Republican leadership, Rep. Vin Weber of Minnesota, saw it differently.

"There are a couple of things we learned today," Weber said. "We learned the charges are not trivial, they are not technical and they are not aimed at his (Wright's) wife."

The standard for "convicting" Wright under House rules is much higher than finding alleged violations. The committee must find "clear and convincing" evidence of wrongdoing.

With other panel members arrayed behind him in a packed House hearing room, a somber Dixon defended the committee process, saying the panel has "tried to be fair in this whole process... fair to the respondent, and we have kept faith with this institution."

Whatever the committee findings, the issue is almost certain to wind up in a vote on the House floor. Even if the panel does not recommend punishment for the speaker, any member of the House could call the issue up for a resolution.

The floor vote likely will determine Wright's political fate and could mark the first time a speaker of the House has been deposed in midterm. No previous speaker ever has been formally charged with violations of House rules.

The ethics panel dismissed most of the initial charges brought last year by Rep. Newt Gingrich, R-Ga. Gingrich, now the House Republican whip, had charged that the



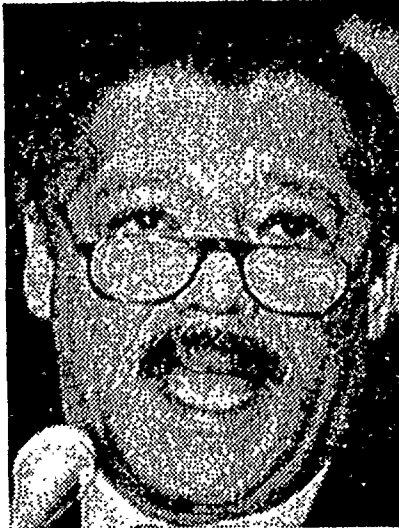
**BETTY WRIGHT**  
Spared by ethics panel

speaker used campaign funds to publish the book and improperly used congressional staff members to help write it.

Gingrich, who has not been reluctant to talk about the Wright case in the past, withheld comment Monday.

In its report, the committee found Wright "demonstrated an overall scheme to evade" the House's limitation on outside earned income with seven sales of multiple copies of his book "Reflections of a Public Man" to groups to which he delivered speeches from 1984 to 1987.

Under the rules, book royalties are not considered earned income, but the committee found that Wright had sometimes requested



**REP. JULIAN DIXON**  
"Innocent until proven guilty"

that organizations purchase books, on which he earned a 55 percent royalty, in lieu of paying him a speaking fee.

The ethics panel determined that Wright accepted \$145,000 in gifts from 1979 to 1988 from George Mallick, a friend and business partner, in the form of free housing, cut-rate housing, a salary paid to Wright's wife, Betty, and a car.

The ethics committee said Wright did not report these items as gifts and took the money even though Mallick had a "direct interest" in legislation over which Wright had some influence.

Despite the numerous violations found by the committee, the panel's report was far softer than an investigative document from Phelan,



**REP. NEWT GINGRICH**  
Complaint started probe

which proposed that Wright had violated more than 100 House rules.

While Republicans were generally keeping quiet as the committee issued its report, Wright's Democratic supporters were gearing up to debate the charges one by one.

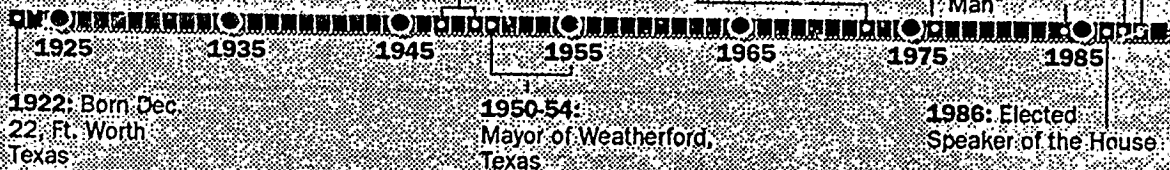
Rep. Martin Frost, D-Texas, attended the committee's press conference and told a large group of reporters: "I think the speaker will clearly be found innocent when this is over." He said the full House vote is "a long way off."

Another Texas Democrat, Rep. Charles Wilson, said, "At some point, we've got to start figuring out who's on our side and who's on the other side."



## JIM WRIGHT'S CAREER

Rep. Jim Wright



June 10, 1988: House ethics panel begins investigation

May 26, 1988: Rep. Newt Gingrich files ethics complaint against Wright

Sept. 24, 1987: First reports of book royalty irregularities

## Gingrich stays mute on issue

WASHINGTON (AP) - After months of bashing the man he once called "the most corrupt speaker of the 20th century," Rep. Newt Gingrich was noticeably quiet Monday after the House ethics committee charged Speaker Jim Wright with 69 violations of House rules.

"I'm not going to have anything to say until I've read the full report," said Gingrich, a R-Georgia, referring to the 279-page report prepared by Richard Phelan, the Chicago attorney who served as the committee's special counsel during its 10-month investigation.

Gingrich said he would hold a news conference later in the week to comment on the results of the investigation he initiated last May, when he filed a formal complaint against Wright.

Gingrich's non-reaction was in keeping with the lower profile he has assumed in connection with the Wright investigation since his Republican colleagues last month elected him House minority whip.

His selection for the No. 2 GOP leadership post widely was viewed as a reward for his willingness to challenge Wright in what initially was seen by both Democrats and Republicans largely as a futile gesture.

Gingrich, a former history professor, kicked off his campaign against Wright in the summer of 1987, when he was the recognized leader of a small group of young, right-wing House Republicans with a reputation for confrontation.

He used news conferences and after-hours speeches on the House floor to draw attention to a series of allegations of ethical misconduct that had been raised against Wright in news reports dating back a decade.

Gingrich picked up an unexpected ally in May 1988, when Common Cause, the non-partisan citizens lobby, urged the ethics committee to investigate Wright. Eight days later, Gingrich filed the complaint that forced the committee to act.

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(Indicate page, name of newspaper, city and state.)

San Antonio Light A-1 &amp;4

Date: 4/25/89

Edition: Final

Title: Wright probe in shifting to San Antonio

Character:

or

Classification: 58-0

Submitting Office: San Antonio

Indexing:

# Wright probe is shifting to San Antonio

By **LARRY MARGASAK**  
Associated Press

WASHINGTON - The House ethics panel investigation of Speaker Jim Wright moves to San Antonio this week, where panel members are to interview the Texas businessmen involved in an oil well investment that netted large profits for the blind trust held for the embattled Democratic lawmaker.

Two committee members and panel investigators reportedly were set to spend three days in Texas, beginning today, to interview San Antonio financier Morris Jaffe; his business associate and son, M.D. "Doug" Jaffee Jr., and two others involved in the oil well deal.

At the same time, Wright's lawyer in Washington, William Oldaker, is expected to continue negotiations with the ethics panel's special outside counsel, Richard Phelan, over a timetable for the speaker's personal appearance before the committee.

The ethics panel - officially the Committee on Standards of Official Conduct - charged Wright with 69 instances of violating House rules in his dealings with Fort Worth developer George Mallick, and evading limits on outside income through bulk sales of a book authored by the speaker.

Wright denies any wrongdoing and says he will fight the allegations.

The first phase of its investigation finished, the panel -

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58-0-150 (R)

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APR 25 1989	
FBI - SAN ANTONIO	

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# WRIGHT: Probe is shifting to San Antonio

WRIGHT/from A1

el; now turns to considering whether there is clear and convincing proof of violations and, if so, deciding whether to recommend disciplinary action to the House.

A spokesman for Wright, Mark Johnson, said no resolution of the Washington negotiations was expected until later in the week.

The Wright case continues to dominate interest on Capitol Hill, particularly on a week with little else on the agenda.

The Senate remains out of session all week on an extended Pass-over break and the House does not return until Wednesday when action is scheduled on a supplemental appropriation bill for the current fiscal year and the House banking panel continues work on its version of a measure to shore the savings

and loan industry.

The ethics panel said last Monday, in its report on Wright, that it still was investigating how a Wright-Mallick company bought a 4 percent interest in an oil and gas well for \$99,000 - putting up only \$9,120 in cash - and sold it the same day for \$440,000.

Phelan said the committee needed to determine whether Wright had knowledge of the deal, which involved the Jaffes, a West German-owned firm, and the blind trust established for Wright in 1987.

Wright spokesman Johnson repeatedly has said the speaker was unaware of the transaction.

A key issue in the overall Wright case is whether he accepted gifts from people with a direct interest in legislation before Congress. House rules prevent members from accepting gifts totaling more

than \$100 in a calendar year in such situations.

One of the many companies controlled by Jaffe has sought to share in an Air Force program, under study by Congress, for developing the nation's next jet pilot training aircraft, according to numerous news accounts last week.

Jim Dement, a San Antonio real estate developer and a friend of Morris Jaffe, said Jaffe is eager to explain the oil deal at a news conference - but only after he has been interviewed by ethics panel questioners.

"He (Morris Jaffe) didn't know Wright had an interest in the deal until afterward," Dement said.

The Jaffes' hometown newspaper, The Light, has reported that the two businessmen are longtime Democratic Party contributors, and that Wright has visited them

often.

According to the ethics committee report, the deal involving the North Sabine Lake Prospect, in Orange County, unfolded this way:

Mallightco, a company owned by Wright, his business partner Mallick and their wives acquired a 4 percent interest in the well from Jaffe Energy Corp. May 10, 1988 for \$9,120 cash. The deal was arranged by Michael Mallick, George's son.

The same day, Mallick cut a deal with Union Rheinische Petroleum Inc., a subsidiary of a West German firm, which advanced Mallightco \$440,000. Of that figure, \$90,000 was to pay Mallick's share of the drilling costs.

The deal was structured so that Mallightco received \$350,000 in cash, while owing Jaffe no money for drilling expenses.

# Survey weighs against Wright

Los Angeles Times Service

LOS ANGELES — Almost one-half of the American public thinks Rep. Jim Wright, D-Texas, should resign as speaker of the House of Representatives unless he is completely cleared of charges that he violated congressional ethics rules, the Los Angeles Times Poll has found.

Compared to the strong feelings of these 49 percent, another 41 percent believe Wright's speakership should hinge on what, if anything, he is found guilty of when the House completes its investigation.

The survey found bad news for Wright among Americans who are familiar with the long bill of particulars lodged against him. These people are convinced by more than 2-1 that the Texas lawmaker acted unethically as a member of Congress.

## Lack of familiarity

But in what may be a ray of sunlight for the embattled Democratic leader, 52 percent of the respondents said that they do not really know much about the charges against Wright. And three-fourths believe that other congressmen are guilty of similar behavior to that Wright is charged with.

The Times interviewed 1,203 Americans Saturday and Sunday. The results are accurate within a range of 4 percent plus or minus.

In contrast to the Times Poll, members of Congress who returned to their districts last week reported little in the way of a voter uprising about the Wright affair, which has consumed the House of Representatives. Without evidence of constituent pressure on Congress, Wright's allies in the House have begun to call the ethics investigation "survivable."

Despite partisan overtones in Washington, the investigation of Wright registers just about the same feelings among the public regardless of party affiliation.

(Indicate page, name of newspaper, city and state.)

San Antonio Light B-2

4/25/89

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Edition:

Title: Survey weighs against Wright

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58-C-150 (9)

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FBI - SAN ANTONIO	



Rep. John Myers, R-Ind., says the ethics committee wants the Wright probe to be thorough.

## Wright inquiry resumes in S.A.

By JEROME P. CURRY  
Express-News Staff Writer

Top members of the House ethics committee planned to continue taking depositions Tuesday from businessmen who may have been involved in a lucrative oil well investment for House Speaker Jim Wright.

The panel accused Wright of 69 violations of House ethics rules in his dealings with Fort Worth developer George Mallick and in allegedly evading limits on outside income through bulk sales of a book he wrote.

The committee continues to investigate how a Wright-Mallick partnership in 1988 bought a 4 percent interest in an oil and gas well for \$99,000 — putting up only \$9,120 in cash — and sold it the same day for \$440,000.

Records, meanwhile, show that cash kept flowing through the gas well that netted Wright's blind trust more than \$100,000 two months after "alarming declines" in well pressures were recorded.

That profit was on an interest in a

See S.A. ETHICS, Page 4-A

(Indicate page, name of newspaper, city and state.)

Express-News A-1 & 4

Date: 4/25/89

Edition: Final

Title: Wright inquiry resumes in S.A.

Character:

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58-2-153 (P)

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FBI — SAN ANTONIO	

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# S.A. ethics inquiry on Wright expected to last till Wednesday

Continued from 1-A

well that eventually "was plugged and abandoned as a dry hole on September 24, 1988," according to a letter dated Oct. 17, 1988.

B.J. Rogson of Brammer Engineering Inc. of Shreveport, La., made that report to the Texas Railroad Commission.

The so-called "alarming declines" were first noted, according to the well log, on April 27, 1988. The transfer to Wright's blind trust came on June 9, 1988.

More than \$3 million had moved through the dry-well interest by the time it formally was abandoned.

The dollar trail involves:

- Jaffe Energy Co. of San Antonio.

- Mallightco Inc., a company in which Wright and his wife had an interest.

- Goodrich Oil Co. of Shreveport, La.

- Brammer Engineering Inc. of Shreveport, listed by the Texas Railroad Commission as the well operator.

- Union Rheinische Petroleum Inc., a Texas corporation with offices in San Antonio and Dallas. The principal investors, according to secretary of state records, are from Munich, West Germany.

- C.T. Corporation System of Dallas.

- The James C. Wright Jr. Blind Trust established in October 1987.

According to the railroad commission, secretary of state and federal records:

- C.T. Corporation is the registered Texas agent for both Brammer Engineering and Union Rheinische.

- Goodrich and Brammer have the same street address in Shreveport.

- Two Jaffe executives, Doug Jaffe and Jeff Prestridge, also are listed as agents of Union Rheinische. Prestridge, according to the secretary of state records, is a vice president of Union Rheinische.

- Wright and his wife owned interests in Mallightco that eventually were liquidated after the blind trust was established.

- Two congressmen, Democrat Julian Dixon of California and Republican John Myers of Indiana, arrived

“Despite the disheartening results from the well . . . Union Rheinische Petroleum . . . purchased Michael Mallick’s 4 percent interest in the Sabine Lake venture.”

— Ethics committee report

Monday in San Antonio for three days of fact-finding. They were to meet with the Jaffes, Morris and his son, M.D. “Doug” Jaffe Jr.

Dixon and Myers were accompanied by William Kunkle, a Chicago lawyer.

Kunkle came to San Antonio earlier Monday. Myers and Dixon arrived almost simultaneously about 3 p.m. at the Seven Oaks Hotel and Conference Center, where their closed inquiry was to be held. Both said they expected to be in San Antonio through Wednesday.

## ‘A lot of profit’

“We’re fact-finding,” Myers told waiting reporters. “There was an awful lot of profit in only a very short time. We hope to be as thorough as we can be.”

“I don’t have any comment this afternoon,” Dixon said.

“We are going to make a thorough examination. We don’t want to miss anything. We’re not here particularly to make a certain decision,” Myers said before entering the meeting to interview the operator of the southeast Texas oil well, L.R. Brammer Jr. of Brammer Engineering Co.

Brammer’s attorney, Ray Barlow, also was present.

Myers said he did not know who they would interview or if other field hearings would be required.

“We hope to be as thorough as we can be, and there might not be anything beyond this and then there

might well be. It depends on what we find here,” Myers said.

The subject inside the locked Seven Oaks conference room “A” was the Dry Well Affair. It is part of a continuing effort by the staff of the House Committee on Standards of Official Conduct to resolve questions raised by the committee’s investigation of Wright.

Dixon and Myers are members of the committee. Kunkle is a member of the law firm of Richard Phelan, the committee’s general counsel. Their inquiry is scheduled to resume Tuesday at 9 a.m.

Committee staff members, the Express-News was told, already have talked to the West German investors.

## Further inquiry

The committee had called for a more extensive inquiry into the well transaction on the day it released its ethics report on Wright.

Wright denies any wrongdoing and pledges to fight the allegations. Of the 1988 oil well transaction, Wright has said, “I put all of my financial holdings in a blind trust in 1987, the first year of my speakership. Under the terms of that blind trust, I am not to be told of any of the transactions that take place.”

According to the report: “We believe further investigation into the Sabine Lake investment (the well) and the loan from Union Rheinische Petroleum is necessary before any conclusions can properly be drawn.”

“The amount of the URP ‘loan’ appears to be dramatically greater than the value of the well on May 10, 1988,” the report states.

The well in question was drilled in Orange County near the Texas-Louisiana border in the Sabine Lake region. According to railroad commission records, only three wells have shown production in that area in the past months and none of them is in the area of the well in question.

“Drilling on the Sabine Lake well began March 4, 1988,” said the ethics committee report on Wright. “The well reached total depth of 11,560 feet on April 2, 1988.”

On that date, the log indicated a potential for natural gas, perhaps oil in a seven-foot band of Hackberry sand.



PHOTO BY CRAIG CHANDLER

U.S. Reps. Julian Dixon, D-Calif. (left), and John Myers, R-Ind., walk toward a meeting room in San Antonio Monday.

Jaffe Energy and Goodrich decided to move ahead, according to records.

"The initial tests on the well on April 23, 1988, indicated flows of oil and gas in commercial productive amounts . . . However, over the next few days, testing revealed alarming declines in . . . well pressures."

In what would turn out to be an understatement, a committee staff member wrote that "because the well pressure readings steadily declined during all tests, it was . . . clear the well was not a gusher."

After the well casing collapsed, Brammer closed the well on June 9, 1988, having spent at that point, according to records, \$2.89 million. Another \$1.1 million was used to drill a sidetrack into the original hole from Aug. 3 to Sept. 20, 1988. The offset well also was dry.

In a complicated series of financial transactions, the money did not stop flowing.

"Despite these disheartening results from the well . . . Union Rheinische Petroleum . . . purchased Michael Mallick's 4 percent interest in the Sabine Lake venture," said the committee report.

Mallick was a friend of Wright's. He and Jaffe had first met working on the Hubert Humphrey presidential campaign in 1968.

The deal where Union Rheinische bought the 4 percent from Mallick

follows this chronology, according to records:

1. Union Rheinische loans Mallick \$440,000.

2. About \$90,000 of that is reserved to cover Mallick's share of the drilling costs.

3. Mallick executes a deed conveying his interest in oil and gas revenues from the well to Union Rheinische until the \$440,000 is repaid.

4. At that time, Mallick agrees to assign URP 2.5 percent of the interest in the well while retaining 1.5 percent.

5. If revenues are inadequate to repay the loan, as it was later proven to be, URP's recourse is the 4 percent interest.

As a result, Mallick and Wright's firm, Mallightco, received about \$350,000 cash, according to records.

Soon after Mallightco executed the agreement with Union Rheinische Petroleum, Mallightco tendered an offer to the Wright blind trust offering to buy the trust's shares of Mallightco for \$350,000.

According to records and committee testimony, that \$350,000 was to be \$230,000 cash and \$120,000 in an unsecured five-year, 10 percent interest note.

Said an ethics committee report: "The sale was consummated on June 9, 1988. Mallightco paid the blind trust \$230,000 and a promissory note in the amount of \$120,000."

# Wright's former partner defends role

(Indicate page, name of newspaper, city and state.)

San Antonio Light A-4

Date: 4/24/89  
Edition: Sports Final

Title: Wright's former partner defends role

Character:  
or  
Classification: 58-0  
Submitting Office: San Antonio

Indexing:

## Mallick claims he has no regrets

Chicago Tribune

FORT WORTH - George Mallick, the Texas real estate developer who is House Speaker Jim Wright's former business partner, says he probably should have bought Wright out of a controversial investment partnership after the Texas Democrat was elected speaker in 1987.

"I don't have any regrets," Mallick said during an interview in which he discussed his role in some business dealings that have sparked the current investigation of the speaker by the House ethics committee.

"But when he became speaker, I should have bought his stock in Mallightco," Mallick said, referring to the investment partnership that Mallick and his wife formed with Wright and his wife, Betty, in 1979.

Mallick said that he should have acquired Wright's stock in Mallightco because it was clear that Wright wanted to spend all of his time being speaker, a post to which he was elected in January 1987.

But such a decision also would have avoided a controversial 1988 oil well investment that was to bring ethics committee members and investigators to San Antonio to-

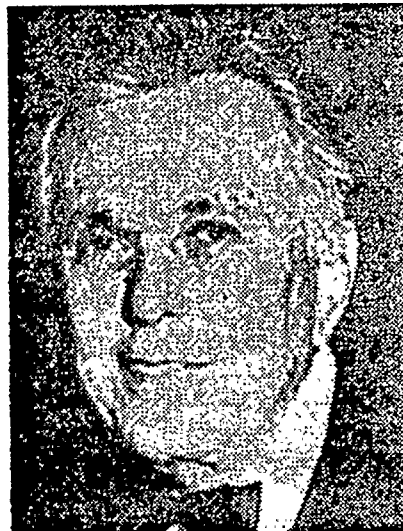


**DOUG JAFFE**  
Introduced W. German firm

day to learn more about the deal, which generated a \$350,000 profit with no cash down and considerably enhanced the value of Wright's stock.

The deal was hatched just after Wright put his assets in a blind trust in 1987 and instructed the trustee, Fort Worth attorney Thomas Law, to sell his Mallightco stock.

Mallick said he decided to try to make one more investment before the transfer was made to see if he could enhance the value of the stock. He said he shopped around and found an oil deal called the North Sabine Lake prospect that was put together by Jaffe Energy Corp.



**MORRIS JAFFE**  
Doug's father

Mallick contracted Douglas Jaffe and his father, Morris, and acquired a 4 percent interest in the well in January, 1988. To nail down his 4 percent stake, he signed a letter promising to pay the venture \$9,120 down in cash and to assume some drilling and completion costs estimated at \$90,000.

Drilling began in March, and there were signs the venture would strike gas by April - before he had to actually pay out any cash, Mallick said. At that point, Douglas Jaffe called and asked if Mallick wanted to sell his 4 percent interest in the oil well to a West German firm that Jaffe had advised on investments for years.

## Developer asserts testimony twisted

WASHINGTON (AP) - A Fort Worth developer who testified before the House Ethics Committee about buying 1,000 copies of Speaker Jim Wright's book has filed an affidavit clarifying his position because he says his testimony has been distorted to suggest wrongdoing.

S. Gene Payte told the Fort Worth Star-Telegram that he believes Chicago lawyer Richard Phelan, special counsel for the committee, distorted Payte's testimony to trump up two of 69 specific ethics infractions alleged against Wright.

Last week, the committee said there is "reason to believe" that Wright tried to evade limits on outside income through sales of the book.

But Payte hopes his affidavit persuades the committee to drop the two allegations tied to his testimony.

"He's indignant," said Fort Worth attorney Thomas Law, who represents Payte and also is the administrator of Wright's blind trust.

Phelan said Payte had received 300 to 500 copies of the book, "Reflections of a Public Man," and that Wright received \$3,300 in royalty income from the sale. The book royalties constitute unreported gift income.

---

(Mount Clipping in Space Below)

# Tougher ethics stance may start with Wright

Baltimore Sun Service

WASHINGTON — The House ethics panel that leveled charges against House Speaker Jim Wright has a record of talking tough, then delivering mere wrist-slaps, but the Wright case could mark the start of a new era in legislative ethics proceedings.

"The whole world criticizes our actions from time to time; we're either 'too tough' or 'too soft,'" said Rep. Julian Dixon, D-Calif., the chairman of the committee.

The panel has come under criticism, especially from House Republicans, in the last few years for conducting several lengthy probes of influential Democrats that resulted in allegations of ethical violations but no substantive disciplinary action.

But few past investigations have received as much public attention as the investigation of Wright, D-Texas.

The charges against Wright — allegations that now must be weighed against a standard of "clear and convincing evidence" in further committee deliberations — already represent a broader interpretation of House rules than has been seen in other recent ethics inquiries.

And the internal debate among House members in response to the Wright charges suggests that the ethics panel may now be catching up with a shifting ethical climate for public officials, a move that some critics say is overdue.

"We're at the early stages of a decade of political reform" based on ethics issues, said Rep. Newt Gingrich, R-Ga., who initiated the ethics investigation of Wright with a complaint to the ethics panel. The panel's inquiry, while exonerating Wright on most of Gingrich's accusations, broadened its purview to cover Wright's financial dealings over more than a decade and found evidence that raises questions about his conduct.

Gingrich has himself been accused of possible ethics violations by

Rep. Bill Alexander, D-Ark., a supporter of Wright, who has asked the ethics panel to investigate whether a limited partnership set up to promote a book written by Gingrich and his wife violated House rules. Gingrich has denied any wrongdoing.

"I think there are going to be new rules," Gingrich said, for House members in the aftermath of the Wright investigation, regardless of how that case turns out. The current rules are "cluttered" and need to be revamped so lawmakers can see in very clear terms what is or isn't permitted, he said.

The ethics panel has usually taken its sternest actions against lawmakers who have been convicted by a criminal court. The panel recommended expulsion of Rep. Mario Biaggi, D-N.Y., in 1988 after his first criminal conviction on a charge of accepting an illegal gratuity — a free vacation — from a Brooklyn Democratic boss who stood to benefit from a shipyard project the lawmaker had promoted.

The ethics panel, officially known as the Committee on Standards of Official Conduct, is considered a gulf assignment for House members — hard work, long hours, and no thanks from fellow lawmakers or from constituents who would rather see their congressman spend his time on bringing a road project or a sewer grant home to the district.

Members are appointed by their party leadership for limited terms, although the current chairman and several members have extended their service to continue ongoing investigations. It is the only committee in the House that is equally divided between Democrats and Republicans — six members from each party — a feature intended to promote non-partisanship.

The House panel was created in 1967 and assumed the duty of enforcing a "code of official conduct" for House members and financial disclosure rules that were adopted in 1968.

(Indicate page, name of newspaper, city and state.)

Express-News A-20

Date: 4/23/89  
Edition: FinalTitle: Tougher ethics stance  
may start with Wright

Character:

or

Classification: 58-0  
Submitting Office: San Antonio

Indexing:

58C-WF-163158-15  
58-0-150 (N)

SEARCHED	INDEXED
SERIALIZED	FILED
APR 24 1989	
FBI — SAN ANTONIO	

*am*



INBOX:2 (#1076)

TEXT:  
VZCZCPH0002

RR HQ WMFO

DE PH #0002 1440129

ZNR UUUUU

R 240229Z MAY 89

FM FBI PHILADELPHIA [REDACTED] (SQ7) (P)

TO DIRECTOR FBI/ROUTINE/

FBI WMFO (58A-WF-0163158)/ROUTINE/

BT

UNCLAS

CITE: //3620//

PASS: SSA [REDACTED] PUBLIC CORRUPTION UNIT.

SUBJECT: [REDACTED]

[REDACTED] UNSUBS; [REDACTED]

[REDACTED] FAG-GSA, OO: PHILADELPHIA.

RE TELCALL FROM PHILADELPHIA SA [REDACTED] TO FBIHQ SSA [REDACTED]

[REDACTED] MAY 22, 1989. ALSO REFERENCE PHILADELPHIA TELETYPE TO  
BUREAU, MAY 9, 1989, AND FBIHQ ALL OFFICES TELETYPE CAPTIONED

"JIM WRIGHT; ET AL"; DATED MAY 16, 1989.

ENCLOSED UNDER SEPARATE COVER VIA OVERNIGHT MAIL ARE COPIES

58-163158-10

SEARCHED	INDEXED
SERIALIZED	FILED
JUN 1 1989	
FBI - WASH. METRO FIELD OFFICE	

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PAGE TWO DE PH 0002 UNCLAS

OF THREE ONE PAGE LETTERS DATED NOVEMBER 23, 1987, WRITTEN ON THE LETTERHEAD OF CONGRESSMAN JIM WRIGHT.

THE ENCLOSED LETTERS WERE RECEIVED FROM OFFICE OF INSPECTOR GENERAL - GENERAL SERVICES ADMINISTRATION (OIG-GSA) SA [REDACTED]

[REDACTED] PHILADELPHIA, PENNSYLVANIA, ON MAY 22, 1989. SA

[REDACTED] IS THE OIG-GSA CASE AGENT ON CAPTIONED JOINT FBI/OIG/GSA INVESTIGATION. SA [REDACTED] WAS PRESENT DURING THE

INTERVIEW OF [REDACTED] THE INFORMATION [REDACTED] PROVIDED CONCERNING JIM WRIGHT DURING HIS INTERVIEW CONCERNING CAPTIONED MATTER WAS SET FORTH IN REFERENCED PHILADELPHIA TELETYPE.

DURING THE COURSE OF CONVERSATIONS WITH GSA CONTRACTING OFFICER [REDACTED] (PHONETIC), SA [REDACTED] MENTIONED CIVIL DAMAGES AS A GOAL OF CAPTIONED INVESTIGATION. [REDACTED] OPINED CAPTIONED [REDACTED] WAS NOT IN A STRONG NET WORTH POSITION. AS THE BASIS FOR HIS OPINION, [REDACTED] CITED HIS RECOLLECTION OF SEEING LETTERS FROM CONGRESSMAN JIM WRIGHT RECEIVED BY VARIOUS FEDERAL AGENCY HEADS. THE LETTERS URGED ATTENTION TO ANY OVERDUE PAYMENTS DUE [REDACTED] FOR WORK PERFORMED. AS CONTRACTING OFFICER, [REDACTED] APPARENTLY RECEIVED

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PAGE THREE DE PH 0002 UNCLAS

COPIES OF THE LETTERS FROM THE RECIPIENTS AND MADE THEM SERIALS  
IN THE GSA MASTER CONTRACT FILE. AT THE REQUEST OF SA

[REDACTED] LOCATED THE LETTERS REFERRED TO AND FURNISHED  
HIM COPIES.

PHILADELPHIA WISHES THE BUREAU TO BE AWARE THE INTERVIEW OF  
[REDACTED] OCCURRED AFTER [REDACTED] WAS SERVED A  
FEDERAL GRAND JURY SUBPOENA ISSUED IN EDPA. HOWEVER, [REDACTED]  
HAS NOT YET TESTIFIED BEFORE THE FGJ.

IT SHOULD BE NOTED THAT THE [REDACTED] WHOSE NAME APPEARS  
ON THE BOTTON LEFT OF EACH LETTER IS BELIEVED TO BE IDENTICAL TO  
[REDACTED] WHO RECEIVED [REDACTED] FROM [REDACTED] AS SET FORTH IN  
REFERENCED PHILADELPHIA TELETYPE.

BT

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TVS 010 D-178  
TVS #0010

*[Handwritten signature]*  
9:05  
*[Handwritten initials]*

VZCZCWM0010

PP HQ DL SA

DE WM #0010 1780217

ZNR UUUUU

P 260206Z JUN 89

FM FBI WASHINGTON METROPOLITAN FIELD OFFICE (58A-WF-163158) (P)

TO DIRECTOR FBI/PRIORITY/

FBI DALLAS/PRIORITY/

FBI SAN ANTONIO/PRIORITY/

BT

UNCLAS

CITE: //3920//

PASS: FBIHQ: SSA [REDACTED] PCU, WDCS.

b6  
b7C

SUBJECT: JAMES C. WRIGHT, UNITED STATES CONGRESSMAN, TWELFTH  
DISTRICT, FORT WORTH, TEXAS; BRIBERY-CONFLICT OF INTEREST;  
CONSPIRACY; OO: WMFO.

RE TELCALL OF WMFO [REDACTED] TO SAN ANTONIO [REDACTED], JUNE  
26, 1989.

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FOR THE INFORMATION OF FEDERAL BUREAU OF INVESTIGATION  
HEADQUARTERS (FBIHQ), DALLAS AND SAN ANTONIO, ON JUNE 23, 1989,

58A-WF-163158-11  
SEARCHED \_\_\_\_\_ INDEXED \_\_\_\_\_  
SERIALIZED *[Handwritten mark]* FILED *[Handwritten mark]*  
JUN 26 9 02 PM '89  
[REDACTED]  
*[Handwritten mark]*

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PAGE TWO DE WM 0010 UNCLAS

REPRESENTATIVES OF THE WMFO MET WITH UNITED STATES (US)  
DEPARTMENT OF JUSTICE (DOJ) PUBLIC INTEGRITY SECTION (PIS)  
ATTORNEYS REGARDING CAPTIONED MATTER. IT HAS BEEN DETERMINED  
THAT PIS WILL PREPARE FOR SERVICE FEDERAL GRAND JURY (FGJ)  
SUBPOENAS DIRECTED TO [REDACTED]

b3  
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[REDACTED]  
[REDACTED] ADDITIONALLY, SUBPOENAS WILL ISSUE FROM  
THE FGJ REGARDING [REDACTED]

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b7C

PIS HAS REQUESTED THAT THE LOCATION OF [REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED] TO FACILITATE SERVICE OF FGJ SUBPOENAS DUCES  
TECUM.

IT IS REQUESTED THAT FBI/PIS INTEREST IN THIS MATTER BE "LOW"

PAGE THREE DE WM 0010 UNCLAS

KEYED" TO THE FULLEST EXTENT POSSIBLE AT THIS PHASE OF THE INVESTIGATION.

LEADS. DALLAS; AT ARLINGTON, TEXAS.

WILL DETERMINE LOCATION OF [REDACTED]

[REDACTED]

b3

[REDACTED] FURNISH RESULTS TO WMFO.

EXPEDITE FORWARDING OF RESULTS OF INVESTIGATION PREVIOUSLY CONDUCTED.

SAN ANTONIO; AT AUSTIN, TEXAS.

WILL ELICIT COOPERATION OF ASSISTANT STATE ATTORNEY GENERAL

[REDACTED] REGARDING JEWELL. OBTAIN FROM HER ANY INFORMATION AVAILABLE REGARDING THE CORPORATION, IT'S OFFICERS THEIR CURRENT WHEREABOUTS, AND THEIR DEALINGS WITH SUBJECT WRIGHT. REQUEST [REDACTED] MAINTAIN CONFIDENCE REGARDING BUREAU/PIS INTEREST IN THIS MATTER. FURNISH RESULTS TO WMFO.

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BT

#0010

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Sent At  
1 44 PM  
JMB

VZCZCWM0008

OO HQ DL

DE WM #0008 1841837

ZNR UUUUU

O 031827Z JUL 89

FM FBI WASHINGTON METROPOLITAN FIELD OFFICE (58A-WF-163158) (P)

TO DIRECTOR FBI/IMMEDIATE/

FBI DALLAS/IMMEDIATE/

BT

UNCLAS

CITE: //3920//

PASS: FBIHQ: PUBLIC CORRUPTION UNIT. DALLAS: [REDACTED]

SQUAD 8; FORT WORTH RESIDENT AGENCY.

b6  
b7C

SUBJECT: JAMES WRIGHT, FORMER CONGRESSMAN, US HOUSE OF  
REPRESENTATIVES; BRIBERY/CONFLICT OF INTEREST; OO: WMFO.

ON [REDACTED] AT APPROXIMATELY [REDACTED] SPECIAL AGENTS  
(SAS) OF SQUAD C-2 NORTHERN VIRGINIA METROPOLITAN RESIDENT AGENCY  
(NVMRA) SERVED A FEDERAL GRAND JURY (FGJ) SUBPOENA ON THE

b3

[REDACTED] DIRECTING  
PRODUCTION OF DOCUMENTATION AS RELATED TO THIS INVESTIGATION

12

SEARCHED	INDEXED
SERIALIZED	FILED
JUL 6 1989	
FBI-WASH. FIELD OFFICE	

PAGE TWO DE WM 0008 UNCLAS

SERVICE WAS ACCEPTED BY [REDACTED] [REDACTED]

b3  
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[REDACTED]  
[REDACTED] WHO IDENTIFIED HERSELF AS THE INDIVIDUAL AUTHORIZED  
TO ACCEPT SERVICE.

[REDACTED] SIGNED THE SUBPOENA AND INDICATED THAT [REDACTED]

b3  
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ATTEMPTS BY PUBLIC INTEGRITY SECTION ATTORNEY [REDACTED]

HAD PREVIOUSLY BEEN NEGATIVE WITH RESPECT TO LOCATING AN  
INDIVIDUAL [REDACTED], WHO WAS  
AUTHORIZED TO RECEIVE SERVICE FOR [REDACTED]

b3  
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AT APPROXIMATELY [REDACTED] A SUBPOENA FOR

[REDACTED] TO APPEAR BEFORE THE FGJ, WDC, ON [REDACTED]  
[REDACTED] (WITH APPROPRIATE DOCUMENTATION), WAS TRANSMITTED VIA

b3

14 14



PAGE THREE DE WM 0008 UNCLAS

FACSIMILE TO FEDERAL BUREAU OF INVESTIGATION (FBI) DALLAS,  
ATTENTION SSA [REDACTED] FOR SERVICE IN [REDACTED] DALLAS  
OFFICE ACKNOWLEDGED RECEIPT OF SAME. ORIGINAL SUBPOENA, WITH  
ATTACHMENTS, WERE THEN MAILED VIA EXPRESS/OVERNIGHT MAIL TO  
DALLAS, ATTENTION SSA [REDACTED]

b3  
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AT THE TIME OF FACSIMILE TRANSMITTAL, SSA [REDACTED] WAS  
ADVISED TELEPHONICALLY TO EXECUTE SERVICE [REDACTED]

[REDACTED]

[REDACTED]

b3  
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THE MANNER OF PERSONAL SERVICE ON [REDACTED] WAS MADE AT THE  
DIRECTION OF THE PUBLIC INTEGRITY SECTION, DEPARTMENT OF JUSTICE  
(DOJ).

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BT

#0008

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44 12 44

-->NEXT TEXT  
 FORMS TEXT HAS 1 DOCUMENT  
 NEXT DOCUMENT (#3220) MOVED FROM INBOX.1 TO DESK.11

TEXT:

VZCZCDL0003

RR HQ WMFO

DE DL #0003 1841814

ZNR UUUUU

R 031751Z JUL 89

FM FBI DALLAS (58A-WF-163158) (P)

TO DIRECTOR FBI/ROUTINE/

FBI WMFO/ROUTINE/

BT

UNCLAS

CITE: //4840//

SUBJECT: JAMES C. WRIGHT, JR., U.S. CONGRESS, 12TH DISTRICT,

TEXAS; BRIBERY-CONFLICT OF INTEREST; OO: WMFO.

ON [REDACTED] WAS SERVED, IN PERSON,

IN [REDACTED] WITH A FEDERAL GRAND JURY SUBPOENA TO

TESTIFY AND PRODUCE RECORDS ON [REDACTED] FOR THE FEDERAL

GRAND JURY IN WASHINGTON, D.C. HE WAS ALSO SERVED WITH THE

ATTACHMENTS, AS WELL AS THE LETTER DATED [REDACTED]

[REDACTED] PUBLIC INTEGRITY SECTION, CRIMINAL DIVISION, U.S.

DEPARTMENT OF JUSTICE.

UCFN	<input type="checkbox"/> Pos	<input checked="" type="checkbox"/> Neg	<i>PLWFOIA</i>
GENERAL INDICES			
<input checked="" type="checkbox"/> Unindexed Search			
<input type="checkbox"/> Pos	<input type="checkbox"/> Neg	AX	<input type="checkbox"/> Pos <input checked="" type="checkbox"/> Neg
<input type="checkbox"/> Manual Search			
<input type="checkbox"/> Pos	<input type="checkbox"/> Neg	AX	<input type="checkbox"/> Pos <input type="checkbox"/> Neg

*James C. Wright*  
*plw*

*58C-163495\**  
*29A-5799\**  
*46A-11439\**  
*99A-1144\**  
*99A-1144\**

b3  
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*58-WF-163158-13*

SEARCHED *PLW* INDEXED *PLW*  
 SERIALIZED *PLW* FILED *PLW*  
 JUL 3 2 58 PM '89

b6  
 b7C

PAGE TWO DE DL 0003 UNCLAS

FD-302 AND EXECUTED SUBPOENA COPY FOLLOW.

BT

#0003

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✓  
58-WF-163158-114

SEARCHED	INDEXED
SERIALIZED	
JUL 3 1989	
FBI - [redacted] OFFICE	

b6  
b7C

# Memorandum



To : SAC, WMFO (58A-WF-163158) (NVMRA) (C-2) (P) 7/1/89  
Date

From : SA [redacted]

b6  
b7C

Subject: JAMES WRIGHT:  
FORMER CONGRESSMAN,  
U. S. HOUSE OF REPRESENTATIVES;  
BRIBERY/CONFLICT OF INTEREST;  
OO:WMFO

RE: 302 of Special Agent [redacted] setting  
forth service of a Federal Grand Jury Subpoena on  
[redacted]

Attached herewith for the information of this file  
is the following photocopied documentation:

b3  
b6  
b7C

- 1.) Two page Federal Grand Jury Subpoena  
for [redacted]
- 2.) List identified as "Schedule A"
- 3.) Two page letter of explanation from the  
Public Integrity Section, DOJ.
- 4.) One FD-448, Facsimile transmittal form.

On [redacted] SAs [redacted] and [redacted]  
executed the Federal Grand Jury Subpoena referenced above. Two  
Subpoenas had previously been obtained by SAs, from Deputy Chief  
[redacted] Public Integrity Section Criminal Division, phone  
[redacted]

b3  
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The second subpoena was to be served personally on [redacted]  
[redacted]  
[redacted]  
[redacted]  
[redacted]  
[redacted]  
[redacted]

b3  
b6  
b7C

After service of the first subpoena was effected, SAs  
proceeded to WMFO, whereupon the above listed documentation was  
facsimiled to the Dallas Division.

WMFO night clerk [redacted] promptly effected  
the transmittal in the presence of SAs [redacted] and [redacted]  
[redacted] and the Dallas Division acknowledged  
receipt of same while SA [redacted] was in telephonic contact Dallas  
SSA [redacted]

b6  
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1-WMFO (58A-WF-163158)  
SRS/srs

Page 2

SSA [ ] was advised by the writer the subpoena was to be executed in an expeditious manner; with the further request of the Public Integrity Section, that it be executed [ ]

[ ]  
[ ]  
[ ]  
[ ]  
[ ]  
[ ]

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The original materials were then sent via over night air express mail pouch to the Dallas Division, by this writer.

Transmit attached by Facsimile

## PRECEDENCE:

- ☒ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

- ☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☒ UNCLAS

To: SAC, DALLAS ATTENT

From: SAC, WMFO (NUMRA) C-2

Subject: JAMES C. WRIGHT

Date

☐ Fingerprint Photo☐ Fingerprint Record☐ Map☐ Newspaper clipping☐ Photograph☐ Artists Conception☐ Teletype☒ Other

FED GRAND JURY SUBPOENA.

Special handling Instructions:

HAND DELIVER TO SSA [REDACTED]  
 FOR IMMEDIATE SERVICE

Approved: WOG/F.S./MA

SEARCHED \_\_\_\_\_

SERIALIZED \_\_\_\_\_

JUN 30 4 08 PM '89

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b7CRAM FOL  
TSJ = WPb6  
b7C

# United States District Court

DISTRICT OF COLUMBIA

TO:

[Redacted]

## SUBPOENA TO TESTIFY BEFORE GRAND JURY

b3

SUBPOENA FOR:

☐ PERSON ☒ DOCUMENTS OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE

United States Courthouse  
United States District Court for the  
District of Columbia  
Third and Constitution Avenue, N.W.  
Washington, D.C. 20001

ROOM

[Redacted]

DATE AND TIME

[Redacted]

b3

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):\*

See Attached Schedule A

☐ Please see additional information on reverse

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK

JAMES F. DAVEY

DATE

[Redacted]

(BY) DEPUTY CLERK

*Blue*  *Green*

This subpoena is issued upon application  
of the United States of America

NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY

Deputy Chief

Trial Attorney

Public Integrity Section

Criminal Division

United States Department of Justice

b3

b6

b7C

\*If not applicable, enter "none."

To be used in lieu of AO 110

FORM OBD-227  
JAN. 86



RETURN OF SERVICE <sup>(1)</sup>		
RECEIVED BY SERVER	DATE	PLACE
SERVED	DATE	PLACE
SERVED ON (NAME)		
SERVED BY		TITLE
STATEMENT OF SERVICE FEES		
TRAVEL	SERVICES	TOTAL
DECLARATION OF SERVER <sup>(2)</sup>		
<p>I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Return of Service and Statement of Service Fees is true and correct.</p> <p>Executed on _____</p> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="text-align: center;"> <p><i>Date</i></p> </div> <div style="text-align: center;"> <p><i>Signature of Server</i></p> </div> </div> <div style="text-align: center; margin-top: 10px;"> <p>_____ <i>Address of Server</i></p> </div>		
<p>ADDITIONAL INFORMATION</p>		

(1) As to who may serve a subpoena and the manner of its service see Rule 17(d), Federal Rules of Criminal Procedure, or Rule 45(c), Federal Rules of Civil Procedure.

(2) "Fees and mileage need not be tendered to the witness upon service of a subpoena issued on behalf of the United States or an officer or agency thereof (Rule 45(c), Federal Rules of Civil Procedure; Rule 17(d), Federal Rules of Criminal Procedure) or on behalf of certain indigent parties and criminal defendants who are unable to pay such costs (28 USC 1825, Rule 17(b) Federal Rules of Criminal Procedure)".

0-2  
AX  
READ INBOX 3:6 TEXT  
FORMS TEXT HAS 1 DOCUMENT

INBOX.3 (#3674)

TEXT:

VZCZCDL0011

FM HQ SA WMFO

DE DL #0011 1881534

ZNR 00000

P 071517Z JUL 89

FM FBI DALLAS (58A-WF-143155) (P)

TO DIRECTOR FBI/PRIORITY/

FBI SAN ANTONIO/PRIORITY/

FBI WMFO (58A-WF-143155)/PRIORITY/

BT

UNCLAS

SECTION ONE LF TAD

UNCLAS

CITE: 114871/1

PASS: HQ: POU, WCCS, SSA [REDACTED] PUBLIC CORRUPTION UNIT;

SA: SSA [REDACTED]

SUBJECT: JAMES C. WRIGHT, UNITED STATES CONGRESSMAN, 12TH  
DISTRICT, FT. WORTH, TEXAS; BRIBERY - CONFLICT OF INTEREST,  
CONSPIRACY; OO: WMFO.

RE BUREAU TELETYPE TO DALLAS, DATED MAY 24, 1989 WMFO

info for subsec  
to JASA  
PIS on 7/12/89

15 ✓

SEARCHED	INDEXED
SERIALIZED	FILED
JUL 10 1989	
FBI - DALLAS	

b6  
b7C

READ INBOX 3:6 TEXT  
FORMS TEXT HAS 1 DOCUMENT

INBOX.3 (#3674)

TEXT:

VZCZCDL0011

PP HQ SA WMFO

DE DL #0011 1881554

ZNR UUUUU

P 071517Z JUL 89

FM FBI DALLAS (58A-WF-163158) (P)

TO DIRECTOR FBI/PRIORITY/

FBI SAN ANTONIO/PRIORITY/

FBI WMFO (58A-WF-163158)/PRIORITY/

BT

UNCLAS

SECTION ONE OF TWO

UNCLAS

CITE: //4874//

PASS: HQ: PCU, WCCS, SSA [REDACTED] PUBLIC CORRUPTION UNIT;

SA: SSA [REDACTED]

SUBJECT: JAMES C. WRIGHT. UNITED STATES CONGRESSMAN, 12TH

DISTRICT, FT. WORTH, TEXAS: BRIBERY - CONFLICT OF INTEREST;

CONSPIRACY; OO: WMFO.

RE BUREAU TELETYPE TO DALLAS, DATED MAY 24, 1989; WMFO

15

58A-WF-163158

SEARCHED	INDEXED
SERIALIZED	FILED
JUL 10 1989	
FBI-WASH. FIELD OFFICE	

b6  
b7C

• PAGE TWO DE DL 0011 UNCLAS

TELETYPE TO BUREAU, JUNE 26, 1989.

REQUEST OF THE BUREAU:

THE BUREAU IS REQUESTED TO CHECK BUREAU INDICES RE  
INDIVIDUALS AND CORPORATIONS MARKED FOR INDEXING IN BODY OF  
COMMUNICATION.

ON JULY 6, 1989, [REDACTED] CURRENTLY  
EMPLOYED SECURITY, TEXAS UTILITIES (TU), FT. WORTH, TEXAS.  
ADVISED TU RECORDS REVEALED JEWELL ENTERPRISES, INC. (JEI) LAST  
KNOWN LOCATED AT 1116 WEST RANDOL MILL ROAD, SUITE A, ARLINGTON,  
TEXAS. RECORDS REVEAL ON MAY 31, 1989, FINAL UTILITY BILL SENT  
TO [REDACTED]

b6  
b7C

[REDACTED] INDICATED A NOTATION IN FILE INDICATES A DEPUTY  
CONSTABLE, [REDACTED] PRECINCT #2, TARRANT COUNTY, 724 EAST  
BORDER STREET, ARLINGTON, TEXAS, [REDACTED] MAY HAVE  
SIGNIFICANT INFORMATION RE JEI.

ON JULY 6, 1989, [REDACTED]

[REDACTED] CONTACTED  
AND HE ADVISED AS FOLLOWS:

b6  
b7C

IN NOVEMBER, 1985, JEI FILED FOR BANKRUPTCY (CHAPTER 11) IN  
U. S. BANKRUPTCY COURT, NORTHERN DISTRICT OF TEXAS (NDT), DALLAS.

15 15  
58A-WF-16B158-

P B

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PAGE THREE DE DL 0011 UNCLAS

TEXAS. UNDER FILE #385-32962-HCA-7. SUBSEQUENTLY, IN 1986, THE BANKRUPTCY ACTION WAS CONVERTED TO CHAPTER 7. AT THE PRESENT TIME, JEI HAS NO OPERATION AND NO EMPLOYEES. THE PRINCIPAL OPERATORS OF JEI WERE [REDACTED] AND A [REDACTED] JEI WAS LOCATED AT 1119 WEST RANDOL MILL ROAD, ARLINGTON, TEXAS.

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UPON BEING CONVERTED TO CHAPTER 7, [REDACTED] [REDACTED] UPON REVIEWING JEI RECORDS BY [REDACTED] HE DISCOVERED THAT JEI, AMONG OTHER THINGS, HAD ADVANCED "SOME FUNDS" TO FOUR OR FIVE "SHAREHOLDERS", INCLUDING JIM WRIGHT. UPON MAKING THIS DISCOVERY, [REDACTED] MADE A DEMAND UPON WRIGHT TO REPAY THE FUNDS ADVANCED TO HIM. AFTER SOME NEGOTIATIONS WITH WRIGHT AND HIS ATTORNEY, WRIGHT AGREED TO REPAY APPROXIMATELY 80 CENTS ON THE DOLLAR RELATIVE TO THE ADVANCED FUNDS. [REDACTED] NOTED THIS WAS A SETTLEMENT REACHED WITHOUT ANY COURT ACTION. AS FAR AS THE OTHER "SHAREHOLDERS" WERE CONCERNED, [REDACTED] WAS FORCED TO FILE LAWSUITS AND TO COLLECT THE ADVANCED FUNDS, AND IN EACH INSTANCE WAS SUCCESSFUL.

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[REDACTED] STATED VOLUMINOUS RECORDS ARE MAINTAINED BY HIS OFFICE, AS WELL AS THE U. S. BANKRUPTCY COURT, NDT, RELATIVE TO

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15 155  
58A-WF-16B58-

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PAGE FOUR DE DL 0011 UNCLAS

THE NUMEROUS ACTIONS CONCERNING JEI. HE FURTHER NOTED THAT DURING THE PAST SEVERAL MONTHS, HIS OFFICE HAS HAD CONSIDERABLE CONTACT WITH REPRESENTATIVES FROM THE ETHICS COMMITTEE INVESTIGATING THE JIM WRIGHT MATTER. HE POINTED OUT THAT HE WAS SCHEDULED TO TURN OVER VARIOUS DOCUMENTS TO REPRESENTATIVES FROM THE ETHICS COMMITTEE ON THE DAY WRIGHT RESIGNED FROM OFFICE; HOWEVER, HE HAS HAD NO SUBSEQUENT CONTACT FROM ANYONE REPRESENTING THE ETHICS COMMITTEE. HE FURTHER STATED HE IS AWARE THAT VARIOUS NEWS MEDIA, ETC. HAVE SPENT CONSIDERABLE TIME REVIEWING RECORDS AND DOCUMENTS MAINTAINED BY THE U. S. BANKRUPTCY COURT.

[ ] POINTED OUT HE WAS NEVER ABLE TO DETERMINE THE CIRCUMSTANCES SURROUNDING WHY FUNDS WERE ADVANCED TO WRIGHT AND THE OTHER SHAREHOLDERS BY JEI.

[ ] PLEDGED HIS FULL COOPERATION RE INSTANT MATTER, BUT STATED THAT PRIOR TO SUPPLYING ANY DOCUMENTS, ETC. HE DESIRED TO HAVE A LETTER REQUESTING THE DOCUMENTS.

ON JULY 6, 1989, [ ] DEPUTY ASSISTANT CONSTABLE, PRECINCT #2, TARRANT COUNTY, TEXAS, 724 EAST BORDER STREET, ARLINGTON, TEXAS, ADVISED AS FOLLOWS:

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58A-LE-16B5X-

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PAGE FIVE DE DL 0011 UNCLAS

DURING THE EARLY 1980'S. "A GROUP OF [REDACTED]  
INCLUDING [REDACTED]

[REDACTED] ALONG WITH AN  
ASSOCIATE NAMED [REDACTED] BEGAN OPERATING SEVERAL  
CORPORATIONS, INCLUDING JEWELL ENTERPRISES, INC., OUT OF SPACE  
LOCATED AT 1119 WEST RANDOL MILL ROAD, ARLINGTON, TEXAS. IN  
ADDITION TO JEI, THE OTHER CORPORATIONS BEING OPERATED FROM THIS  
LOCATION WERE (X)KANSAS CITY NURSING HOME, INC., STONEBROOK  
PROPERTIES, INC., STONEBROOK WEST, INC., KINDERWOOD, INC., CELINA  
NURSING CENTERS, INC., PARENT CARE, INC. AND MILCREEK PROPERTIES,  
INC. (X)

b6  
b7C

[REDACTED] ADVISED THAT HIS OFFICE ON NUMEROUS OCCASIONS HAS  
SERVED VARIOUS CIVIL PAPERS AT THE ABOVE LOCATION AND ON THE  
ABOVE NAMED INDIVIDUALS AND CORPORATIONS. HE NOTED THAT HIS  
OFFICE HAS MAINTAINED A LOG REFLECTING EACH TIME AN ACTION AS  
BEEN FILED AGAINST THE [REDACTED] AND/OR THE NAMED  
CORPORATIONS. [REDACTED] STATED HE IS WILLING TO MAKE AVAILABLE HIS  
LOGS FOR REVIEW IF NECESSARY.

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[REDACTED] STATED THAT ON NOVEMBER 6, 1985, EACH OF THE ABOVE  
CORPORATIONS FILED FOR BANKRUPTCY IN THE U. S. BANKRUPTCY COURT,

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PAGE SIX DE DL 0011 UNCLAS

NDT. AND CAN BE IDENTIFIED AS FOLLOWS:

JEWELL ENTERPRISES. INC., BOOK #385 - 32962. ALL;

KANSAS CITY NURSING HOME, INC., BOOK #385 - 32964. ALL;

STONEBROOK PROPERTIES, INC. BOOK #385 - 32960. M11;

STONEBROOK WEST, INC., BOOK #385 - 32959. ALL;

KINDERWORLD. INC., BOOK #385 - 32961. ALL;

CELINA NURSING CENTER. INC., BOOK #385 - 32965. M11;

PARENT CARE INC., BOOK #385 - 32963. M11;

MILL CREEK PROPERTIES. INC., BOOK #385 - 32212. ALL.

[REDACTED] STATED THAT AFTER THE OFFICE CLOSED AT 1119 WEST RANDOL MILL ROAD, [REDACTED] AND [REDACTED] OPENED A SMALL OFFICE AT [REDACTED] HOWEVER REMAINED AT THIS LOCATION FOR ONLY A SHORT PERIOD OF TIME. [REDACTED] ALSO OPERATED FOR A PERIOD OF TIME OUT OF SPACE LOCATED AT THE

b6  
b7C

[REDACTED] HE POINTED OUT THAT AT THIS LOCATION [REDACTED] HAD ACCESS TO [REDACTED] [REDACTED] STATED THE LAST TIME HE HEARD ANYTHING ABOUT [REDACTED] WAS ASSOCIATED IN SOME MANNER WITH THE [REDACTED]

b6  
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[REDACTED] TELEPHONE [REDACTED]

[REDACTED] FURTHER POINTED OUT HE HAS BEEN IN CONTACT WITH

BT

#0011

NNNN



INBOX.4 (#3675)

TEXT:

VZCZCDL0012

PP HQ SA WMFO

DE DL #0012 1881559

ZNR UUUUU

P 071517Z JUL 89

FM FBI DALLAS (58A-WF-163158) (P)

TO DIRECTOR FBI/PRIORITY/

FBI SAN ANTONIO/PRIORITY/

FBI WMFO (58A-WF-163158)/PRIORITY/

BT

UNCLAS

UNCLAS

SECTION TWO OF TWO

CITE: //4874//

PASS: HQ: PCU, WCCS, SSA [REDACTED] PUBLIC CORRUPTION UNIT:

SA: SSA [REDACTED]

SUBJECT: JAMES C. WRIGHT, UNITED STATES CONGRESSMAN, 12TH

DISTRICT, FT. WORTH, TEXAS: BRIBERY - CONFLICT OF INTEREST;

CONSPIRACY; OO: WMFO;

ASSISTANT STATE ATTORNEY GENERAL [REDACTED] OF AUSTIN, TEXAS.

DO NOT WRITE  
JUL 7 3 07 PM '89

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[ ] HAS INFORMED HIM THAT THE [ ] MAY CONTINUE TO BE INVOLVED IN ACTIVITIES SURROUNDING THE BUYING, SELLING AND OPERATION OF NURSING HOME TYPE OPERATIONS.

b6  
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[ ] STATED HE HAS NO KNOWLEDGE AT THIS TIME REGARDING THE WHEREABOUTS OR ANY ADDITIONAL IDENTIFYING DATA RELATIVE TO THE [ ]

[ ] STATED THAT THE [ ] WERE REPRESENTED BY ATTORNEYS [ ] POSSIBLE TELEPHONE NUMBER [ ] AND "IN HOUSE ATTORNEY" [ ]

SAN ANTONIO AT AUSTIN, TEXAS, IF NOT ALREADY DONE, CONTACT [ ] ASSISTANT STATE ATTORNEY GENERAL, RE INSTANT MATTER AND HER KNOWLEDGE OF THE [ ] PAST AND CURRENT ACTIVITIES. ALSO REVIEW APPROPRIATE RECORDS TO DETERMINE WHETHER OR NOT CORPORATIONS LISTED ABOVE ARE INCORPORATED IN THE STATE OF TEXAS AND, IF POSITIVE, OBTAIN SPECIFIC DATA.

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WMFO AT WASHINGTON, D.C., ARRANGE FOR ATTORNEY [ ] TO PREPARE A LETTER FOR [ ]

[ ] REQUESTING [ ] TO SUPPLY ANY PERTINENT RECORDS/DOCUMENTS HE HAS IN HIS FILES RE INSTANT MATTER. IT IS SUGGESTED THAT THIS LETTER BE SENT TO FBI.

b6  
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PAGE THREE DE DL 0012 UNCLAS

DALLAS FOR HAND DELIVERY.

DALLAS AT ARLINGTON, TEXAS, WILL CONDUCT APPROPRIATE INVESTIGATION TO FULLY IDENTIFY THE [REDACTED] AND DEVELOP DETAIL BACKGROUND INFORMATION RE THESE INDIVIDUALS, AS WELL AS THE CORPORATIONS OPERATED BY THESE INDIVIDUALS.

b6  
b7C

WILL RECONTACT DEPUTY ASSISTANT CONSTABLE [REDACTED] PRECINCT #2, 724 EAST BORDER STREET, AND REVIEW HIS LOG BOOKS IN AN EFFORT TO IDENTIFY THE PAST ACTIONS FILED AGAINST [REDACTED] [REDACTED] AND THE ABOVE NAMED CORPORATIONS.

AT FT. WORTH, TEXAS, THROUGH CONTACT WITH THE OWNERS/OPERATORS OF [REDACTED] TELEPHONE [REDACTED] ASCERTAIN IF [REDACTED] CURRENTLY, OR IN THE PAST, ARE ASSOCIATED IN ANY MANNER WITH THIS CENTER. ALSO, ATTEMPT TO DEVELOP BACKGROUND AND DESCRIPTIVE DATA RE THE [REDACTED]

b6  
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AT DALLAS, TEXAS, WILL REVIEW RECORDS MAINTAINED BY THE U. S. BANKRUPTCY COURT, NIT, FOR INFORMATION OF LEAD VALUE.

WILL RECONTACT [REDACTED] ONCE LETTER HAS BEEN RECEIVED FROM USDOJ: PIS ATTORNEY, REQUESTING DOCUMENTS FROM [REDACTED]

b6  
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PAGE FOUR DE DL 0012 UNCLAS

INVESTIGATION CONTINUING AT DALLAS. AND BUREAU AND  
INTERESTED OFFICES WILL BE KEPT ADVISED.

BT

#0012 -

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58A-WF-1163158-16

SEARCHED \_\_\_\_\_ INDEXED \_\_\_\_\_  
SERIALIZED WW FILED WW

JUL 14 1989

C-2

U.S. Department of Justice



Federal Bureau of Investigation

In Reply, Please Refer to  
File No.

7799 Leesburg Pike  
Suite 200, South Tower  
Falls Church, Virginia 22043  
July 12, 1989

[Redacted]  
Trial Attorney, Public Integrity Section  
Criminal Division, Department Of Justice  
Post Office Box 27321  
Central Station, Washington, D. C. 20038

b6  
b7C

Dear [Redacted]

Per our conversation, a list of Federal Bureau of Investigation Special Agents who will require access to the evidence obtained in the matter involving James C. Wright, Jr., is provided below:

[Redacted]  
[Redacted]  
Thomas Fitzpatrick  
[Redacted]

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It is requested that an appropriate 6E order be prepared permitting access by the Special Agents as well those clerks and other functionaries required to administer the investigation.

Please provide us with a copy of the order, when signed, for our file.

I have also enclosed the executed subpoena directed to

[Redacted]

Sincerely yours,

W. Douglas Gow  
Special Agent in Charge

b3  
b6  
b7C

1-Addressee  
D-WMFO (58A-WF-163158)  
AFH:smb  
(2)

By: [Redacted]  
Supervisory Special Agent

Enc. 1

C-2

INBOX.5 (#1329)

TEXT  
VZCZCSA2005

RR HQ WMFO DL

DE SA #0005 2002209

ZNR UUUUU

R 202145Z JUL 89

FM FBI SAN ANTONIO (58C-WF-163153) (P)

TO DIRECTOR FBI/ROUTINE/

FBI WMFO/ROUTINE/

FBI DALLAS/ROUTINE/

BT

UNCLAS

CITE: //3770//

PASS: FBIHQ - SSA [REDACTED] PUBLIC CORRUPTION UNIT.

b6  
b7C

SUBJECT: JAMES C. WRIGHT, FORMER UNITED STATES CONGRESSMAN, 12TH  
DISTRICT, FT. WORTH, TEXAS; BRIBERY - CONFLICT OF INTEREST;  
CONSPIRACY; OO: WMFO.

RE TELETYPE FROM WMFO TO THE DIRECTOR DATED JUNE 26, 1989.  
AND DALLAS TELETYPE TO THE DIRECTOR DATED JULY 7, 1989.

[REDACTED] ASSISTANT ATTORNEY GENERAL, AUSTIN, TEXAS.

58A-WF-163158-177

GJ

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[REDACTED] ADVISED THE [REDACTED] WHICH INCLUDES [REDACTED]  
[REDACTED] AS HE IS PRESENTLY [REDACTED] HAS BEEN  
OPERATING A CRIMINAL ENTERPRISE FOR THE PURPOSE OF SYSTEMATICALLY  
DEFRAUDING MEDICAID PATIENTS THROUGH THE OPERATION OF NURSING  
HOMES ACROSS THE STATE OF TEXAS SINCE THE LATE 1970'S.

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[REDACTED] HEALTH  
RELATED SERVICES, INC., 3700 FORUMS DRIVE, SUITE 202, FLOWER  
MOUND, TEXAS 75028, TELEPHONE [REDACTED] HAS

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b7C

[REDACTED]  
AND [REDACTED] WAS UNAWARE OF HIS ADDRESS AND PRESENT BUSINESS  
SITUATION.

[REDACTED]  
FOR THE [REDACTED] BUSINESS ORGANIZATION. MANY OF THE [REDACTED]  
[REDACTED] MEMBERS LIVE IN [REDACTED]  
CHANGES RESIDENCES AND BUSINESS LOCATIONS FREQUENTLY.

b6  
b7C

THE MAIN THRUST OF THE [REDACTED] BUSINESS IS TO OPERATE  
NURSING HOMES OR CONTROL MANAGEMENT AT NURSING HOMES AND THEREBY  
GAIN ACCESS TO STATE AND/OR FEDERAL FUNDING FUNNELED TO THESE  
HOMES FOR PATIENT CARE. TYPICALLY A NURSING HOME WILL CONTRACT  
WITH THE TEXAS STATE DEPARTMENT OF HUMAN SERVICES (DHS) TO CARE



FOR MEDICAID RECIPIENTS. DHS ADMINISTERS THESE MEDICAID

PAYMENTS, AND THE [REDACTED]

[REDACTED] SIPHON OFF MEDICAID MONIES AS WELL AS OTHER MONIES WHICH SHOULD BE USED FOR NURSING HOME ADMINISTRATION AND PATIENT CARE.

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NOT ONLY ARE [REDACTED] MEMBERS TAKING FUNDS PROVIDED THROUGH DHS, BUT THEY HISTORICALLY DO NOT PAY OTHER BILLS INCURRED BY THEIR NURSING HOMES. AS A RESULT, AT LEAST FIFTY BUSINESSES HAVE FILED CIVIL SUITS AGAINST [REDACTED] OVER THE LAST FEW YEARS. MANY DEFAULT JUDGMENTS HAVE BEEN OBTAINED BUT COLLECTION ON THESE JUDGMENTS HAS PROVEN IMPOSSIBLE.

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IN RECENT YEARS, DHS AS WELL AS OTHER BUSINESSES CONTRACTING WITH NURSING HOMES, HAS ATTEMPTED TO AVOID CONTRACTING WITH ANY CORPORATION WITH WHICH THE [REDACTED] ARE INVOLVED. HOWEVER, THE [REDACTED] MEMBERS ARE AWARE OF THIS TREATMENT AND FREQUENTLY CHANGE CORPORATION NAMES AND THE NAMES OF INCORPORATORS. OFTEN USING MAIDEN NAMES OF WIVES, NAMES OF SECRETARIES, ET CETERA.

THE TEXAS BOARD OF LICENSING FOR NURSING HOME ADMINISTRATION REGULATES THIS INDUSTRY. [REDACTED]

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[REDACTED] [REDACTED]  
[REDACTED] HAS OFTEN APPEARED AS THE REGISTERED AGENT FOR

PAGE FOUR DE SA 0005 UNCLAS

SEVERAL OF THE [ ] CORPORATIONS.

THE IRS IS ACTIVELY INVESTIGATING THE [ ]

[ ]

b6  
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THERE ARE APPROXIMATELY FIFTY TO ONE HUNDRED CORPORATE ENTITIES RELATED TO THE NURSING HOME INDUSTRY CURRENTLY BEING OPERATED BY THE [ ] UNDER VARIOUS NAMES.

INFORMATION AS REQUESTED ON THE CORPORATE ENTITIES LISTED IN ABOVE REFERENCED TELETYPE WAS OBTAINED FROM [ ] AND WILL BE PROVIDED TO WMFO UNDER SEPARATE COVER.

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[ ] MAIN CONCERN AND FOCUS REGARDING [ ] AND THE [ ] IS THEIR APPARENT FRAUDULENT PRACTICES IN THE TEXAS NURSING HOME INDUSTRY. SHE COULD PROVIDE NO HOME ADDRESS FOR

b6  
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[ ]

[ ] HAS AN ADDRESS OF [ ]

TEXAS.

AS FOR ANY CONNECTION BETWEEN JIM WRIGHT AND THE [ ] [ ] COULD ONLY CITE INFORMATION SHE HAD READ IN THE NEW YORK TIMES AND WASHINGTON POST NEWSPAPERS. SHE STATED [ ]

b6  
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PAGE FIVE DE SA 0005 UNCLAS

[REDACTED] IN THE WASHINGTON D.C. OFFICE, HAD TOLD HER HE HAD A CONFIDENTIAL SOURCE WHO COULD DO TREMENDOUS DAMAGE TO WRIGHT REGARDING THE [REDACTED] CONNECTION AND AMERICAN BANK IN ARLINGTON. [REDACTED] TOLD [REDACTED] HIS SOURCE WOULD NOT PROVIDE HIM, [REDACTED] WITH THIS INFORMATION THOUGH.

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[REDACTED] COULD PROVIDE NO FURTHER INFORMATION REGARDING WRIGHT'S INVOLVEMENT BUT ADVISED SHE HAD BEEN CONTACTED BY [REDACTED] [REDACTED] WHO HAD TOLD HER THE

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b7D

[REDACTED] THESE ALLEGATIONS WERE REPORTED BY SAN ANTONIO TO SSA [REDACTED] OF THE PUBLIC CORRUPTION UNIT VIA TELETYPE ON MAY 24, 1989.

SAN ANTONIO CONTINUES TO HOLD INVESTIGATION INTO THIS MATTER IN ABEYANCE PENDING INSTRUCTIONS FROM FBIHQ.  
BT

#0005

NNNN

FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☐ UNCLAS

Date 7/25/89

TO DIRECTOR, FBI  
 ATTN: SSA [redacted] PUBLIC CORRUPTION UNIT

FROM SAC, WMFO (58A-WF-163158) (P)

"CHANGED"

JAMES C. WRIGHT  
 FORMER UNITED STATES CONGRESSMAN  
 12TH DISTRICT  
 FORT WORTH, TEXAS  
 BRIBERY - CONFLICT OF INTEREST;  
 CONSPIRACY  
 OO: WMFO

Title marked "Changed" to include the designation  
 "Former" due to WRIGHT's resignation from the U. S. CONGRESS.

Re WMFO teletype dated 6/26/89, and Dallas teletypes  
 dated 7/7/89 and 7/20/89.

Enclosed for receiving offices are FEDERAL GRAND JURY  
 subpoenas for service within the respective division territories  
 as follows: Baltimore (1); Boston (5); Dallas (16); and San  
 Antonio (2).

Subpoenas are self-explanatory and it is requested that  
 they be served as expeditiously as possible with accompanying

- 3- Bureau
- 2- Baltimore (Enc. 1)
- 2- Boston (Enc. 5)
- 2- Dallas (Enc. 16)
- 2- San Antonio (Enc. 2)
- 3- WMFO
- (2) 58A-WF-163158)
- (1- 58A-WF-163158 SUB B)

AFH:  
 (14)

58A-WF-163158-18  
 SEARCHED INDEXED  
 SERIALIZED FILED

JUL 26 1989

Approved: \_\_\_\_\_ Transmitted \_\_\_\_\_ Per \_\_\_\_\_  
 (Number) (Time)

b6  
 b7C

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 b7C

WMFO 58A-WF-163158

cover letter specifying how the subpoenas may be complied with

[REDACTED]

b3

..For information of Baltimore and Boston which offices have not previously received communications regarding this case, the Public Integrity Section (PIS) of the DEPARTMENT OF JUSTICE (DOJ) has in conjunction with the FBI initiated an investigation into the activities of former U. S. Congressman JAMES C. WRIGHT. This investigation is presently [REDACTED]

[REDACTED]

b3

[REDACTED] The enclosed subpoenas deal with [REDACTED]

[REDACTED]

b3

Receiving offices are requested to attempt to serve the enclosed subpoenas despite the frequent paucity of address information. It is to be noted that the PIS attorneys handling this matter gleaned the information for the subpoenas from [REDACTED]

[REDACTED]

b3

question the rationale for producing the documents on this second occasion and a simple explanation that this is a separate criminal inquiry should suffice. Further questions may be referred to the PIS attorneys as outlined in each cover letter.

Future leads may require interviews of appropriate [REDACTED] however, these are not required or desired at this time.

b3

LEADS:

BALTIMORE

AT [REDACTED]

Will serve enclosed subpoena on [REDACTED]

*not served*

b3

BOSTON

AT [REDACTED]

Will serve enclosed subpoenas on:

*served*

1. [REDACTED]

2. [REDACTED]

b3

AT [REDACTED]

Will serve enclosed subpoenas on:

1. [REDACTED]

2. [REDACTED]

*served*

b3

AT [REDACTED]

Will serve enclosed subpoenas on:

1. [REDACTED]

*served calligraphy*

DALLAS

Will serve the enclosed subpoenas as follows:

b3  
b6  
b7C

AT [REDACTED]

[REDACTED]

AT [REDACTED]

[REDACTED]

b3  
b6  
b7C

AT [redacted]

[redacted]

b3

AT [redacted]

1. [redacted]
2. [redacted]
3. [redacted]
4. [redacted]
5. [redacted]
6. [redacted]

b3  
b6  
b7C

AT [redacted]

1. [redacted]
2. [redacted]

b3

3. [redacted]

[redacted]

4. [redacted]

[redacted]

5. [redacted]

[redacted]

6. [redacted]

7. [redacted]

[redacted]

b3  
b6  
b7C

b3  
b6  
b7C

SAN ANTONIO

AT [redacted]

Will serve the enclosed subpoena on [redacted]

[redacted]

AT [redacted]

Will serve enclosed subpoena on [redacted]

[redacted]

b3  
b6  
b7C



U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to  
File No.

7799 Leesburg Pike  
Suite 200, South Tower  
Falls Church, Virginia 22043  
July 28, 1989

Public Integrity Section  
Department of Justice  
Post Office Box 27321  
Central Station  
Washington, D. C. 20038

Attention:

Dear

Enclosed herewith are eleven executed U. S. District  
Court subpoenas.

b3  
b6  
b7c

The only subpoena remaining to be served is for the

Sincerely,

Special Agent

Enclosures 11

1 - Addressee

① WMFO 58A-WF-163158) (RM)

AFH:smb

(2)

58A-WF-163158-19

SEARCHED     INDEXED      
SERIALIZED     FILED    

JUL 31 1989



# Memorandum



To : SAC, WMFO (58A-WF-163158) (P)

Date 8/9/89

From : SA [REDACTED] (C-2)

b6  
b7C

Subject : JAMES C. WRIGHT  
FORMER U.S. CONGRESSMAN  
12th DISTRICT  
FT. WORTH, TEXAS  
BRIBERY/COI  
CONSPIRACY  
OO: WMFO

On 8/9/89, the following documents were received  
via Federal Express mail in response to a Federal Grand Jury  
subpoena:

[REDACTED]

b3  
b6  
b7C

FOS:fos  
(1)

58A WF 163158-20

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 9 1989	
FIELD OFFICE	

b6  
b7C

C-2,7

FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☐ UNCLAS

Date 8/7/89

1 TO *JVC* : SAC, WMFO (58A-WF-163158)  
 2 FROM *3* : SAC, BALTIMORE (58A-WF-163158) (SQ 10) (P)  
 3 SUBJECT: JAMES C. WRIGHT,  
 4 Former United States Congressman,  
 5 Twelfth District,  
 6 Fort Worth, Texas  
 7 BRIBERY - CONFLICT OF INTEREST;  
 8 CONSPIRACY  
 9 OO: WMFO

8 Re WMFO airtel to FBIHQ, 7/25/89.

9 Enclosed for WMFO is an original and one copy of an FD-  
 10 302 reflecting the serving of a federal grand jury subpoena upon

13 On [ ] federal grand jury subpoena was served upon

19 [ ] stated he would refer the subpoena, attached  
 20 Schedule A, and the accompanying letter from [ ]

21 ② - WMFO (Enc. 4) *4/3 pro*  
 2 - Baltimore  
 JLZ:bjm  
 (4)

*Wb 58A Wb-163150-21*

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 09 1989	
WASH. METRO FIELD OFFICE	

Approved: \_\_\_\_\_ Transmitted \_\_\_\_\_  
 (Number) (Time)

b3  
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b3  
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b3  
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 b7C  
 21

b6  
 b7C

58A-WF-163158

Deputy Chief, Public Integrity Section, Department of Justice, to

[Redacted]

b3  
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LEAD

BALTIMORE DIVISION

At [Redacted]

Will maintain contact with

[Redacted]

[Redacted]

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58A-WF-16388-22

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 10 1989	
METRO FIELD OFFICE	

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AIRTEL

8/9/89

Director, FBI

SAC, WMFO (58-WF-163158) (P)

Attention: SSA [REDACTED]

JAMES C. WRIGHT, FORMER U.S. CONGRESSMAN,  
12TH DISTRICT, FORT WORTH, TEXAS; BRIBERY -  
CONFLICT OF INTEREST; CONSPIRACY; OO: WMFO

b6  
b7C

Reference is made to FBIHQ airtel to WMFO dated 6/8/89.

Referenced FBIHQ airtel to WMFO dated 6/8/89, enclosed  
copies of Financial Disclosure Statements for former U.S.  
Congressman Wright for the years of 1981 - 1983 and 1985 - 1987.

Enclosed is one copy of an Ethics in Government Act -  
Financial Disclosure Statement for 1988 as filed with the U.S.  
House of Representatives, Committee on Standards of Official  
Conduct, concerning former U.S. Congressman James C. Wright.

These records are matter of public source information and  
are maintained by the Clerk of the House of Representatives,  
Committee on Standards of Official Conduct, Office of Records and  
Registration, Room 1036, Longworth House Office Building,  
Washington, D.C., telephone number (202) 225-1300. For your  
information the Office of Congressional and Public Affairs,  
FBIHQ, maintain copies of these filings for all members of the  
U.S. House of Representatives and, therefore, no inquiry with the  
Clerk of the House of Representatives was required to obtain  
these records. No filings for the calendar year of 1984 could be  
located within records maintained by FBIHQ.

A Copy of the enclosed financial statement has also been  
forwarded to [REDACTED] Deputy Chief, Criminal Division,  
Department of Justice (DOJ), as of 8/9/89. Additionally, a copy  
of the enclosed Financial Disclosure Statement was forwarded to  
Senior Trial Counselor [REDACTED] Federal Programs Branch,  
Civil Division, DOJ. His office has initiated a preliminary  
inquiry concerning former U.S. Congressman Wright for possible  
violations of the civil provisions of the Ethics in Government  
Act. Release of this information was coordinated with Deputy  
Chief [REDACTED] Public Integrity Section, DOJ.

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b7C

Enclosure

58A-WF-163158-23

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 10 1989	
FBI - WASH. METRO FIELD OFFICE	

C-2

TRANSMIT VIA: AIRTEL

CLASSIFICATION: \_\_\_\_\_

DATE: 8/9/89

FROM: Director, FBI

TO: SAC, WMFO (58-WF-163158) (P)  
Attention: SSA [REDACTED]b6  
b7C

JAMES C. WRIGHT, FORMER U.S. CONGRESSMAN,  
12TH DISTRICT, FORT WORTH, TEXAS; BRIBERY -  
CONFLICT OF INTEREST; CONSPIRACY; OO: WMFO

Reference is made to FBIHQ airtel to WMFO dated 6/8/89.

Referenced FBIHQ airtel to WMFO dated 6/8/89, enclosed  
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Congressman Wright for the years of 1981 - 1983 and 1985 - 1987.

Enclosed is one copy of an Ethics in Government Act -  
Financial Disclosure Statement for 1988 as filed with the U.S.  
House of Representatives, Committee on Standards of Official  
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These records are matter of public source information and  
are maintained by the Clerk of the House of Representatives,  
Committee on Standards of Official Conduct, Office of Records and  
Registration, Room 1036, Longworth House Office Building,  
Washington, D.C., telephone number (202) 225-1300. For your  
information the Office of Congressional and Public Affairs,  
FBIHQ, maintain copies of these filings for all members of the  
U.S. House of Representatives and, therefore, no inquiry with the  
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these records. No filings for the calendar year of 1984 could be  
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A Copy of the enclosed financial statement has also been  
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Senior Trial Counselor [REDACTED] Federal Programs Branch,  
Civil Division, DOJ. His office has initiated a preliminary  
inquiry concerning former U.S. Congressman Wright for possible  
violations of the civil provisions of the Ethics in Government  
Act. Release of this information was coordinated with Deputy  
Chief [REDACTED] Public Integrity Section, DOJ.

b6  
b7CEnclosure *Ryd*

Wb 58-WF-163158-23

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 10 1989	
SH. MEMO FIELD OFFICE	

b6  
b7C

# Memorandum



To : SAC, WMFO (58A-163158) (P)

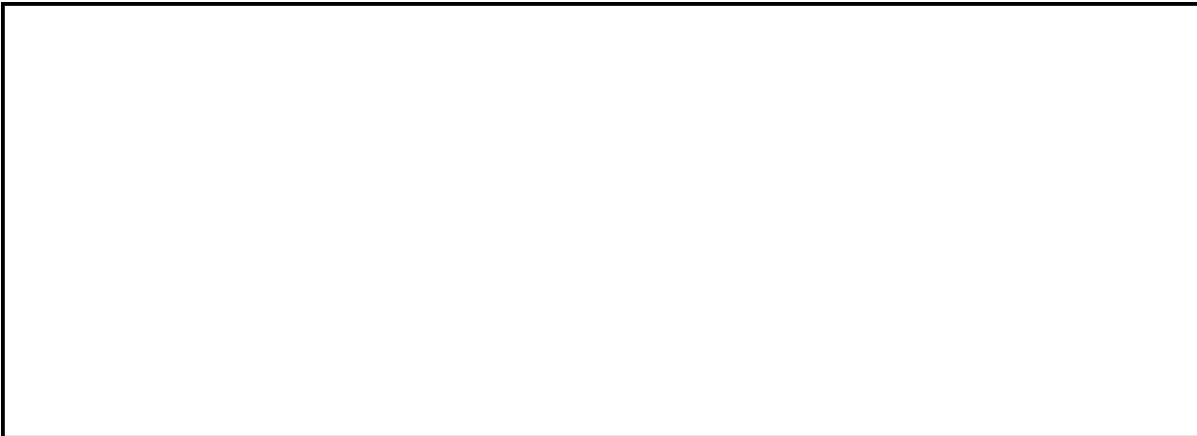
Date 8/14/89

From : SA  (C-2)

b6  
b7C

Subject : JAMES C. WRIGHT  
FORMER U.S. CONGRESSMAN  
12th DISTRICT, FT. WORTH, TEXAS  
BRIBERY/COI  
CONSPIRACY  
OO:WMFO

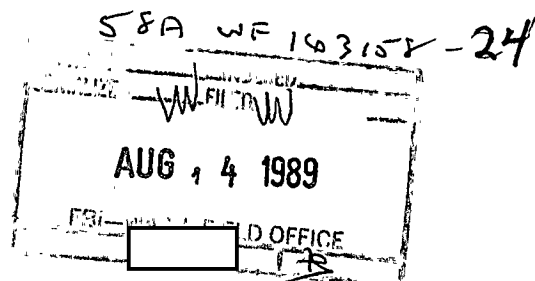
On 8/14/89, the following documents were received in response to Federal Grand Jury subpoenas:



b3

The above items were entered into evidence.

FOS:fos  
(1)



b6  
b7C

FBI

## TRANSMIT VIA:

☐ Teletype☐ Facsimile☒ AIRTEL

## PRECEDENCE:

☐ Immediate☐ Priority☐ Routine

## CLASSIFICATION:

☐ TOP SECRET☐ SECRET☐ CONFIDENTIAL☐ UNCLAS E F T O☐ UNCLAS

Date 7/17/89

TO: SAC, WMFO  
 FROM: SAC, DALLAS (58A-WF-163158)

SUBJECT: JAMES C. WRIGHT, JR.,  
 UNITED STATES CONGRESS,  
 12th DISTRICT, TEXAS;  
 BRIBERY - CONFLICT OF INTEREST  
 OO: WF

Re Dallas telcall to FBIHQ 7/3/89.

Enclosed are an original and one copy of  
 an FD-302 dated 7/1/89, concerning the service of a  
 Federal Grand Jury subpoena [redacted] Also  
 enclosed is the executed original and executed copy  
 of the above subpoena, with its attachments.

b3

LEADSWMFO DIVISIONAT WASHINGTON, D.C.

Return executed subpoena

UCFN	<input type="checkbox"/> Pos	<input type="checkbox"/> Neg
GENERAL INDICES:		
<input checked="" type="checkbox"/> Automated Search	Ct	
WF: <input checked="" type="checkbox"/> Pos	<input type="checkbox"/> Neg	X Neg
<input type="checkbox"/> Manual Search		
WF: <input type="checkbox"/> Pos	<input type="checkbox"/> Neg	AX: <input type="checkbox"/> Pos <input type="checkbox"/> Neg

② - WMFO (Enc. 3)  
 2 - Dallas  
 CBB/cl  
 (4)

Approved: \_\_\_\_\_ Transmitted \_\_\_\_\_

(Number) (Time)

58A-WF-163158-25  
 Per [signature]  
 58C-WF-163495  
 Ct  
 WJ

b6  
b7c



# Memorandum



To : SAC, WMFO (58A-WF-163518) (P)

Date 8/8/89

From *39* SA  (C-2)

b6  
b7C

Subject : JAMES C. WRIGHT  
FORMER U.S. CONGRESSMAN  
12th DISTRICT  
FT. WORTH, TEXAS  
BRIBERY/COI  
CONSPIRACY  
OO:WMFO

On 8/8/89 I received and placed into evidence the following documents received from the below listed individuals:

b3  
b6  
b7C

The documents received from the above individuals were in response to Federal Grand Jury subpoenas.

FOS:fos  
(1)

*158*

*58A-WF-163518 - 26*

SEARCHED	INDEXED
SERIALIZED <i>WW</i>	FILED <i>WW</i>
<b>AUG 8 1989</b>	
<div style="border: 1px solid black; width: 100px; height: 1.2em; margin: 0 auto;"></div>	

*11*

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FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☐ UNCLAS

Date 7/28/89

TO: SAC, WMFO (58A-WF-163158)  
 FROM: ACTING SAC, SAN ANTONIO (58A-WF-163158) (P)

JAMES C. WRIGHT,  
 FORMER UNITED STATES CONGRESSMAN,  
 12TH DISTRICT,  
 FORT WORTH, TEXAS;  
 BRIBERY - CONFLICT OF INTEREST;  
 CONSPIRACY;  
 OO: WMFO

Reference teletype from WMFO to San Antonio dated 6/26/89; Dallas teletype to WMFO and San Antonio dated 7/7/89; and San Antonio teletype to WMFO dated 7/18/89.

Enclosed for WMFO are the following documents:

1. Photocopy of a four (4) page letter from Health Related Services, Inc.

2. Photocopy of one photocopy depicting [redacted] and the [redacted]

3. Photocopy of a five (5) page pamphlet of exhibits depicting JEI as it relates to other corporate entities. Included are details as to personnel involved in those entities.

4. Photocopy of an eighteen (18) page printout of information from the Texas Secretary of States Office regarding information on the following corporations:

② - WMFO (Encs. 4)  
 1 - San Antonio  
 RJS:klr  
 (3)

b6  
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Approved: \_\_\_\_\_ Transmitted \_\_\_\_\_  
 (Number) (Time)

58A-WF-163158-27

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 16 1989	
FBI - WFO	

SA 58A-WF-163158

- a) Kansas City Nursing Home, Inc.
- b) Stonebrook Properties, Inc.
- c) Stonebrook West, Inc.
- d) Kinderwood, Inc.
- e) Celina Nursing Centers, Inc.
- f) Parent Care, Inc.
- g) Milcreek Properties, Inc.



## HEALTH RELATED SERVICES, INC.

3700 Forums Drive, Suite 202  
Flower Mound, Texas 75028  
214-539-6585

WATTS 800-635-4439  
FAX 214-539-6587

November 23, 1988

Dear Member,

After many months of negotiations, we are very excited to send you our first approved list of vendors and services. We now have over 100 provider members in Texas and as we continue to grow, our savings to you will greatly increase.

Please give our merchants your attention and professional courtesy. The representatives listed will walk the extra mile to offer the best prices and services to our members.

If ever you should need a service not listed or a better price on a current service, please contact our offices. An H.R.S.I. employee will be happy to assist you, the member, to assure you of the best quality and price available.

Health Related Services, Inc. is in business to make you money. Volume Buying = Big Savings. Please call us at 1-800-635-4439 with any questions or suggestions you may have.

Happy Holidays!



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FYI

P.S. Imagine the collective buying power our group will have when we reach the 1,000 facility membership goal in our 12 state region!



# HEALTH RELATED SERVICES, INC.

3700 Forums Drive, Suite 202  
Flower Mound, Texas 75028  
214-539-6585

WATTS  
FAX

800-635-4439  
214-539-6587

## APPROVED VENDOR LIST

### Insurance

Group Hospitalization/Major Medical--Summit Marketing  
[REDACTED]

Employee Accident Plan--Continental Life  
[REDACTED]

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### Dietary

White Swan, Inc.--Contact Local Representative

### Janitorial and Paper Supplies

White Swan, Inc.--Contact Local Representative

### Furniture and Carpets

Roadrunner Furnishings  
[REDACTED]

### Drapes and Wallcoverings

Roadrunner Furnishings  
[REDACTED]

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### Urological Supplies

M & S Shield Enterprises  
[REDACTED]

### Internal Nutrition & I.V. Products

Continental Health Affiliates, Inc.  
[REDACTED]

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### Copy Machines and Facsimile Machines (Canon)

Innovative Office Systems, Inc.  
[REDACTED]

### Linens Etc.

Harbor Linens  
[REDACTED]

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### Collections (Acct. Rec.)

H.R.S.I. Offices



# HEALTH RELATED SERVICES, INC.

3700 Forums Drive, Suite 202  
Flower Mound, Texas 75028  
214-539-6585

WATTS 800-635-4439  
FAX 214-539-6587

## APPROVED VENDOR LIST CONTINUED

### Personnel Search (A.D.A., N.H.A., R.N.)

H.R.S.I. Offices (Free service to members)

### Payroll Computer Services

H.R.S.I. Offices

### Energy Saving Devices

Sun-Shields



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### Real Estate Sales & Leases

H.R.S.I. Offices

### Management Consultants (N.H.A., A.D.A., R.N.)

H.R.S.I. Offices

### Builders, Painters, & Roofers

Contact H.R.S.I. Offices

### Financing (New and Existing Facilities)

H.R.S.I. Offices

### Auto Leasing

Allen Samuels Enterprises



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### Architect

H.R.S.I. Offices



## HEALTH RELATED SERVICES, INC.

3700 Forums Drive, Suite 202  
Flower Mound, Texas 75028  
214-539-6585

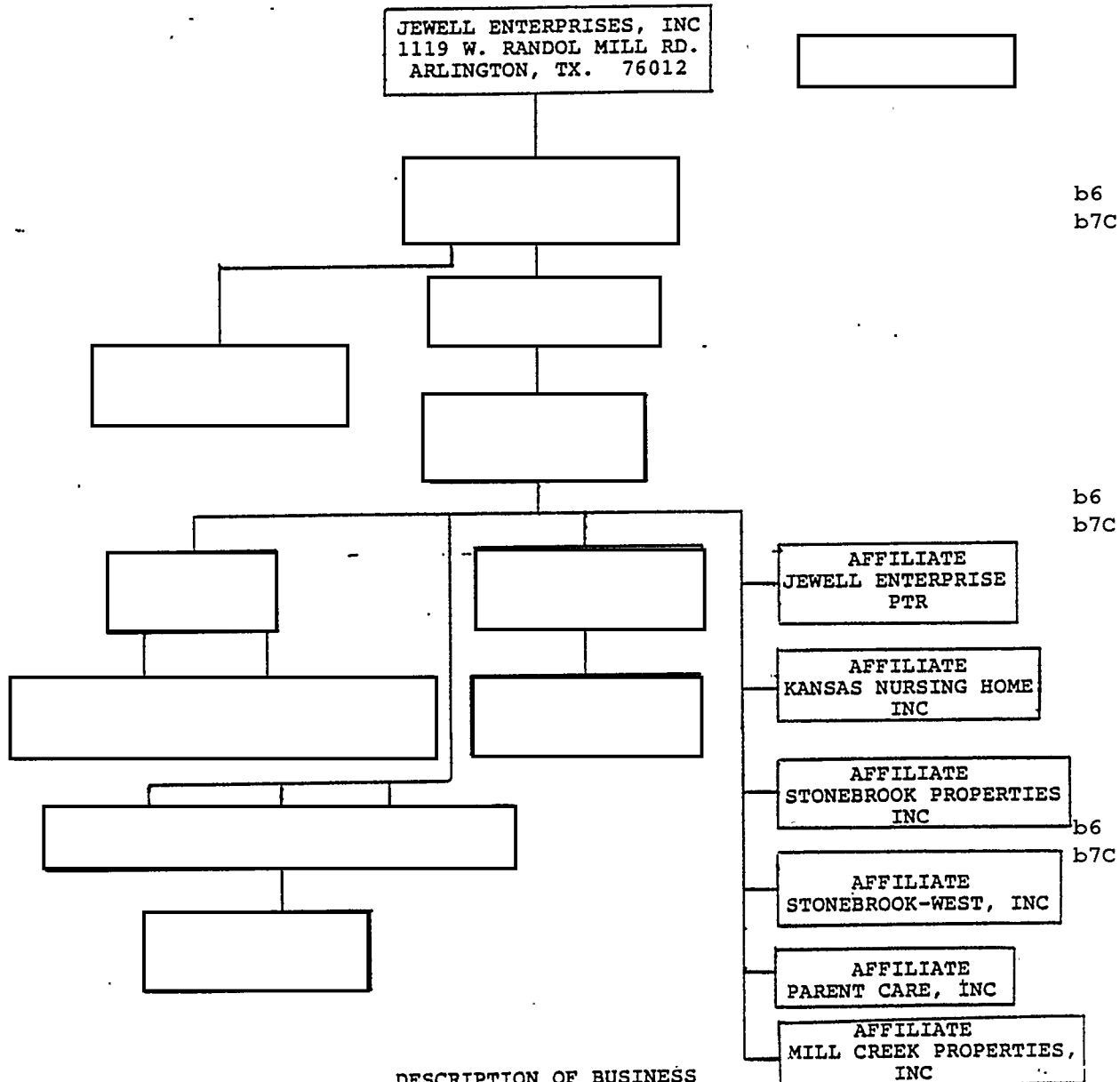
WATS 800-635-4439  
FAX 214-539-6587

### SERVICES CURRENTLY UNDER NEGOTIATION

- \* Long Distance Telephone Service
- \* Credit Union (Merchants & Providers' Employees)
- \* Medical Supplies
- \* Computerized Medical Records
- \* Fire Safety Inspections and Equipment
- \* Temporary Medical Personnel (Metro-Areas)
- \* Pharmacy Services (Metro-Areas)
- \* Import R.N.'s (English Speaking)
- \* Research-Manpower Training & Rehab. Grants
- \* FTD Florist
- \* Accounts Receivable Factoring (Loans)
- \* Equipment Leasing
- \* Casualty Insurance (Property, Auto, & Liability)

AND MUCH MORE!!

ORGANIZATIONAL PART  
October 19, 1984



Jewell Enterprises, Inc. was formed on August 24, 1981 to 1) engaged in the Health Care Business and, 2) to buy, sell, lease, and deal in services, personal and real property, particularly those properties related to and necessary for the Health Care Industry. In furtherance of those purposes, the company is actively engaged in acquiring health care related properties and intends to acquire them for its own account, establish a management relationship through contact or through lease and possible syndicate the underlying real property to tax shelter investors.

The company also furnishes management services for health care related entities both to its own facilities and those of affiliates and others. The services currently being offered and performed are 1) accounting and, 2) field management which is further divided into nursing services, dietary services, and administrative services.

Lists of notes, leases and properties are attached.



## EXHIBIT

JEWELL ENTERPRISES, INC.  
ORGANIZATIONAL CHART  
CONTINUED

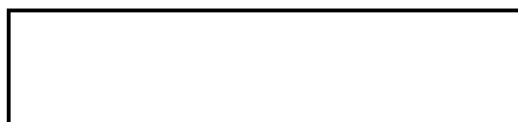
## AFFILIATE:

KANSAS NURSING HOMES, INC.  
1119 W. Randol Mill Rd.  
Arlington, Texas 76012



## STOCK HOLDERS &amp; DIRECTORS

25%  
25%  
25%  
25%



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Incorporated May 16, 1980 in the State of Kansas.

Currently operating eight (8) nursing homes:

Directions Unlimited

Heartland-Belleville

Heartland-East

Heartland-McPherson

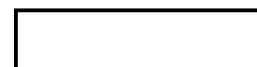
Heartland Rehab.

Heartland-Wakeeney

Southview Manor

Wichita Care Center

STONEBROOK PROPERTIES, INC.  
1119 W. Randol Mill Rd.  
Arlington, Texas 76012



## STOCK HOLDERS &amp; DIRECTORS

25%  
25%  
25%  
25%



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Incorporated January 20, 1981 in the State of Texas as Jewell Enterprises, Inc., amended August 24, 1981 to change name to Stonebrook Properties, Inc.

Primary business: to engage in the Health Care Business.

Currently holds Leasehold interest in twenty-three (23) nursing homes, with subleases to Texas Health Enterprises, Inc. and Leasehold interest in three (3) nursing homes managed by Mill Creek Properties, Inc.

## EXHIBIT

STONEBROOK-WEST, INC.  
 1119 W. Randol Mill Rd.  
 Arlington, Texas 76012

## STOCK HOLDERS &amp; DIRECTORS

33.3%  
 33.3%  
 33.3%

Incorporated September 8, 1982 in the State of Texas.

Primary Business: Leasing and operating nursing homes.

The company currently holds leasehold interest in eight (8) nursing homes in California. The company holds a sublease for seven (7) of the homes with Health Enterprises, Inc. and a sublease for one home with Santa Cruz Convalescent Hospital, Inc.

PARENT CARE, INC.  
 1119 W. Randol Mill Rd.  
 Arlington, Texas 76012

## STOCK HOLDERS &amp; DIRECTORS

33.3%  
 33.3%  
 33.3%

Incorporated December, 1982 in the State of Texas.

Primary purpose: To manage nursing homes, currently holds leasehold interest in five (5) nursing homes, with subleases to Texas Health Enterprises, Inc.

MILL CREEK PROPERTIES, INC.  
 1119 W. Randol Mill Rd.  
 Arlington, Texas 76012

## STOCK HOLDERS &amp; DIRECTORS

100%

Incorporated March 21, 1984 in the State of Texas.

Primary purpose: To manage nursing home, currently managing seven (7) homes:

Cisco Nursing Care Center	Stonebrook-Eagle Pass
Golden Holiday Care Center	Stonebrook-Bowie
Gorman Care Center	Carrizo Springs Nursing Home
Holiday Care Center	

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 b7C

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JEWELL ENTERPRISES, INC.  
ORGANIZATIONAL CHART  
CONTINUED

## AFFILIATE:

OKLAHOMA CARE CENTERS, INC.  
Suite 500 Court Plaza  
228 Robert S. Kerr Avenue  
Oklahoma City, Oklahoma 73132



## STOCK HOLDERS &amp; DIRECTORS

33 1/3%  
33 1/3%  
33 1/3%

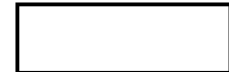


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Incorporated May 31, 1979 in the State of Oklahoma.

Currently subleases 11 nursing homes to ARA (operator and manager)

MARLOW MANOR INC.  
Suite 500 Court Plaza  
228 Robert S. Kerr Avenue  
Oklahoma City, Oklahoma 73132



## STOCK HOLDERS &amp; DIRECTORS

33 1/3%  
33 1/3%  
33 1/3%



b6  
b7C

Incorporated April 28, 1980 in the State of Oklahoma.

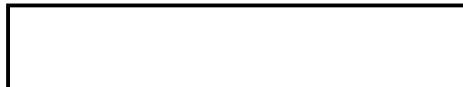
Currently subleases 4 nursing homes to ARA (operator and manager).

JEWELL ENTERPRISES, INC.  
1119 W. Randol Mill Road  
Arlington, Texas 76012



## STOCKHOLDERS &amp; DIRECTORS

33 1/3%  
33 1/3%  
33 1/3%



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b7C

Incorporated August 24, 1981 in the State of Texas.

EXHIBIT C

KANSAS NURSING HOMES, INC.

DIRECTIONS UNLIMITED  
2802 E. HWY 160  
Winfield, Ks 67156

WICHITA CARE CENTER  
1319 W. May  
Wichita, ks 67213

HEARTLAND - MCPHERSON  
1601 N. Main  
McPherson, Ks 67460

HEARTLAND - EAST  
234 Manor Circle  
Alma, KS 66401

SOUTHVIEW MANOR  
E. HWY 36  
Phillipsburg, Ks 67661

HEARTLAND REHAB  
3410 E. Funston  
Wichita, Ks 67218

HEARTLAND -WaKEENEY  
320 Avenue South  
WaKeeney, Ks 67672

HEARTLAND - BELLEVILLE  
500 West 23rd  
Belleville, Ks 66935

[REDACTED]

JULY 14, 1989  
12:29 P.M. EST

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**LEXIS NEXIS LEXIS NEXIS**

LEVEL 1 - 1 OF 1 DOCUMENT

\*\*\* THIS DATA IS FOR INFORMATION PURPOSES ONLY. CERTIFICATION CAN ONLY BE OBTAINED THROUGH THE OFFICE OF THE TEXAS SECRETARY OF STATE \*\*\*

TEXAS SECRETARY OF STATE, CORPORATE RECORD

NAME: STONEBROOK PROPERTIES, INC.

TYPE OF CORPORATION: DOMESTIC PROFIT

CORPORATE STATUS: DEAD

DURATION: PERPETUAL

FILING-DATE: 01/20/1981

DEAD-DATE: 01/20/1987

DEAD-CODE: CHARTER FORFEITED (FAILURE TO PAY FRANCHISE TAX)

TAX-ADDRESS: 1119 WEST RANDOL MILL RD #100, ARLINGTON, TX 760120000

TEXAS SECRETARY OF STATE, CORPORATE RECORD

STATE OF INCORPORATION: TEXAS

[REDACTED] RSGN 6/30/89

REGISTERED OFFICE: 1119 WEST RANDOL MILL ROAD SUITE 100, ARLINGTON, TX 76012

INCORPORATORS:

[REDACTED]  
CAPITAL/STOCK: 120,000 AT NPV

TAXPAYER ID NUMBER: 017517453795

CORPORATE NUMBER: 00546960

TAX-YEAR: 1984

PRIOR-NAMES:

NAME: JEWELL ENTERPRISES, INC.

HISTORY:

b6  
b7c

**LEXIS NEXIS LEXIS NEXIS**

TEXAS SECRETARY OF STATE, CORPORATE RECORD

DATE

TRANSACTION

05/30/1989

RESIGNATION OF REGISTERED AGENT

[REDACTED]

[REDACTED]

[REDACTED]

b6  
b7C

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

b6  
b7C

[REDACTED]

[REDACTED]

[REDACTED]

OTHER

[REDACTED]

TEXAS SECRETARY OF STATE, CORPORATE RECORD

V

[REDACTED]

[REDACTED]

CO

[REDACTED]

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b7C

## TEXAS SECRETARY OF STATE, CORPORATE RECORD

NAME: MILL CREEK PROPERTIES, INC.

TYPE OF CORPORATION: DOMESTIC PROFIT

CORPORATE STATUS: DEAD

DURATION: PERPETUAL

FILING-DATE: 03/21/1984

DEAD-DATE: 01/09/1989

DEAD-CODE: CHARTER FORFEITED (FAILURE TO PAY FRANCHISE TAX)

TAX-ADDRESS: [REDACTED]

OFFICE-ADDRESS: [REDACTED]

PRINCIPAL BUSINESS ADDRESS:

STATE OF INCORPORATION: TEXAS

b6  
b7C

## TEXAS SECRETARY OF STATE, CORPORATE RECORD

[REDACTED]

REGISTERED OFFICE: 1119 W. RANDOL MILL RD, ARLINGTON, TX 76012

INCORPORATORS:

[REDACTED]

CAPITAL/STOCK: 10,000 AT NPV

TAXPAYER ID NUMBER: 017519804474

CORPORATE NUMBER: 00696937

TAX-YEAR: 1987

HISTORY:

DATE

TRANSACTION

01/09/1989 TAX FORFEITURE

b6  
b7C**LEXIS NEXIS LEXIS NEXIS**



TEXAS SECRETARY OF STATE, CORPORATE RECORD

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

b6  
b7C

LEVEL 1 - 1 OF 5 DOCUMENTS

\*\*\* THIS DATA IS FOR INFORMATION PURPOSES ONLY. CERTIFICATION CAN ONLY BE OBTAINED THROUGH THE OFFICE OF THE TEXAS SECRETARY OF STATE \*\*\*

TEXAS SECRETARY OF STATE, CORPORATE RECORD

NAME: JEWELL ENTERPRISES, INC.

TYPE OF CORPORATION: DOMESTIC PROFIT

CORPORATE STATUS: DEAD

DURATION: PERPETUAL

FILING-DATE: 08/24/1981

DEAD-DATE: 01/20/1987

DEAD-CODE: CHARTER FORFEITED (FAILURE TO PAY FRANCHISE TAX)

TAX-ADDRESS: 1119 WEST RANDOL MILL ROAD #110, ARLINGTON, TX 760120000

TEXAS SECRETARY OF STATE, CORPORATE RECORD

STATE OF INCORPORATION: TEXAS

[REDACTED] RSGN 6/20/89

REGISTERED OFFICE: 1119 WEST RANDOL MILL ROAD SUITE 100, ARLINGTON, TX 76012

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INCORPORATORS:

CAPITAL/STOCK: 10,000,000 AT 5.00

TAXPAYER ID NUMBER: 017518662717

CORPORATE NUMBER: 00575423

TAX-YEAR: 1984

HISTORY:

DATE	TRANSACTION
05/30/1989	RESIGNATION OF REGISTERED AGENT

TEXAS SECRETARY OF STATE, CORPORATE RECORD

b6  
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b6  
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b6  
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LEVEL 1 - 2 OF 5 DOCUMENTS

\*\*\* THIS DATA IS FOR INFORMATION PURPOSES ONLY. CERTIFICATION CAN ONLY BE OBTAINED THROUGH THE OFFICE OF THE TEXAS SECRETARY OF STATE \*\*\*

TEXAS SECRETARY OF STATE, CORPORATE RECORD

NAME: JEWELL ENTERPRISES, INC.

TYPE OF CORPORATION: DOMESTIC PROFIT

CORPORATE STATUS: DEAD

DURATION: PERPETUAL

FILING-DATE: 04/09/1970

DEAD-DATE: 07/11/1974

DEAD-CODE: DISSOLUTION

STATE OF INCORPORATION: TEXAS

LEVEL 1 - 1 OF 1 DOCUMENT

\*\*\* THIS DATA IS FOR INFORMATION PURPOSES ONLY. CERTIFICATION CAN ONLY BE OBTAINED THROUGH THE OFFICE OF THE TEXAS SECRETARY OF STATE \*\*\*

TEXAS SECRETARY OF STATE, CORPORATE RECORD

NAME: STONEBROOK-WEST, INC.

TYPE OF CORPORATION: DOMESTIC PROFIT

CORPORATE STATUS: DEAD

DURATION: PERPETUAL

FILING-DATE: 09/08/1982

DEAD-DATE: 01/21/1985

DEAD-CODE: CHARTER FORFEITED (FAILURE TO PAY FRANCHISE TAX)

STATE OF INCORPORATION: TEXAS

TEXAS SECRETARY OF STATE, CORPORATE RECORD

[REDACTED]  
REGISTERED OFFICE: 1119 WEST RANDOL MILL ROAD, STE 110, ARLINGTON, TX 76102

INCORPORATORS:

b6  
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[REDACTED]  
CAPITAL/STOCK: 10,000 AT NPV

CORPORATE NUMBER: 00621490

LEVEL 1 - 3 OF 3 DOCUMENTS

\*\*\* THIS DATA IS FOR INFORMATION PURPOSES ONLY. CERTIFICATION CAN ONLY BE  
OBTAINED THROUGH THE OFFICE OF THE TEXAS SECRETARY OF STATE \*\*\*

TEXAS SECRETARY OF STATE, CORPORATE RECORD

NAME: KINDERWORLD, INC.

TYPE OF CORPORATION: DOMESTIC PROFIT

CORPORATE STATUS: ACTIVE

DURATION: PERPETUAL

FILING-DATE: 03/11/1986

TAX-ADDRESS: [REDACTED] 3200 HATCH ROAD, CEDAR, TX 78763

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STATE OF INCORPORATION: TEXAS

ASSUMED-NAME:

NAME: KINDERWORLD

STATUS: ACTIVE

**LEXIS NEXIS LEXIS NEXIS**

TEXAS SECRETARY OF STATE, CORPORATE RECORD

COUNTIES: TRAVIS WILLIAMSON  
EXPIRES: 03/31/1996  
FILED: 03/31/1986

[REDACTED]

REGISTERED OFFICE: 3200 HATCH ROAD, CEDAR, TX 78763

b6  
b7C

INCORPORATORS:

[REDACTED]

CAPITAL/STOCK: 1,000,000 AT 1.00

TAXPAYER ID NUMBER: 030009744134

CORPORATE NUMBER: 00789136

TAX-YEAR: 1987

HISTORY:

DATE

TRANSACTION

TEXAS SECRETARY OF STATE, CORPORATE RECORD

04/07/1988 CHANGE OF REGISTERED AGENT/REGISTERED OFFICE

12/04/1987 PUBLIC INFORMATION REPORT FILED

[REDACTED] [REDACTED]

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[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

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[REDACTED] [REDACTED]

LEVEL 1 - 1 OF 3 DOCUMENTS

\*\*\* THIS DATA IS FOR INFORMATION PURPOSES ONLY. CERTIFICATION CAN ONLY BE OBTAINED THROUGH THE OFFICE OF THE TEXAS SECRETARY OF STATE \*\*\*

TEXAS SECRETARY OF STATE, CORPORATE RECORD

NAME: HATCH- KINDERWORLD, INC.

TYPE OF CORPORATION: DOMESTIC PROFIT

CORPORATE STATUS: DEAD

DURATION: PERPETUAL

FILING-DATE: 02/20/1987

DEAD-DATE: 02/27/1989

DEAD-CODE: CHARTER FORFEITED (FAILURE TO PAY FRANCHISE TAX)

TAX-ADDRESS: 3200 HATCH LANE, CEDAR PARK, TX 78613

TEXAS SECRETARY OF STATE, CORPORATE RECORD

OFFICE-ADDRESS: 3200 HATCH LANE, CEDAR PARK, TX 78613

PRINCIPAL BUSINESS ADDRESS: 3200 HATCH LANE, CEDAR PARK, TX 78613

STATE OF INCORPORATION: TEXAS

ASSUMED-NAME:

NAME: KINDERWORLD

STATUS: ACTIVE

COUNTIES: TRAVIS WILLIAMSON

EXPIRES: 03/31/1997

FILED: 03/31/1987

[REDACTED]

REGISTERED OFFICE: 3200 HATCH ROAD, CEDAR PARK, TX 78763

INCORPORATORS:

[REDACTED]

CAPITAL/STOCK: 1,000,000 CO AT 1.00

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LEXIS NEXIS LEXIS NEXIS

TEXAS SECRETARY OF STATE, CORPORATE RECORD

TAXPAYER ID NUMBER: 017424554495

CORPORATE NUMBER: 01028865

TAX-YEAR: 1988

HISTORY:

DATE	TRANSACTION
04/12/1989	CHANGE OF REGISTERED AGENT/REGISTERED OFFICE
02/27/1989	TAX FORFEITURE
01/12/1989	REINSTATEMENT FOR TAX FORFEITURE IN ERROR
01/09/1989	TAX FORFEITURE
04/07/1988	CHANGE OF REGISTERED AGENT/REGISTERED OFFICE

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TEXAS SECRETARY OF STATE, CORPORATE RECORD

3200 HATCH LANE, CEDAR PARK, TX 78613

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LEVEL 1 - 2 OF 3 DOCUMENTS

\*\*\* THIS DATA IS FOR INFORMATION PURPOSES ONLY. CERTIFICATION CAN ONLY BE OBTAINED THROUGH THE OFFICE OF THE TEXAS SECRETARY OF STATE \*\*\*

TEXAS SECRETARY OF STATE, CORPORATE RECORD

NAME: KINDERWORLD CHILD CARE AND LEARNING CENTER

TYPE OF CORPORATION: NAME RESERVATION

CORPORATE STATUS: ACTIVE

DURATION: 4 MONTHS

FILING-DATE: 02/13/1986

STATE OF INCORPORATION: TEXAS

REMITTER:

REMITTER OFFICE: 4825 EAST RIVERSIDE DR, AUSTIN, TX 78741

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TEXAS SECRETARY OF STATE, CORPORATE RECORD

CORPORATE NUMBER: 00007693

**LEXIS NEXIS LEXIS NEXIS**



LEVEL 1 - 1 OF 1 DOCUMENT

\*\*\* THIS DATA IS FOR INFORMATION PURPOSES ONLY. CERTIFICATION CAN ONLY BE OBTAINED THROUGH THE OFFICE OF THE TEXAS SECRETARY OF STATE \*\*\*

TEXAS SECRETARY OF STATE, CORPORATE RECORD

NAME: CELINA NURSING CENTER, INC.

TYPE OF CORPORATION: DOMESTIC PROFIT

CORPORATE STATUS: DEAD

DURATION: PERPETUAL

FILING-DATE: 05/06/1974

DEAD-DATE: 02/20/1984

DEAD-CODE: CHARTER FORFEITED (FAILURE TO PAY FRANCHISE TAX)

TAX-ADDRESS: 1119 W RANDOL MILL SUITE 100, ARLINGTON, TX 760110000

TEXAS SECRETARY OF STATE, CORPORATE RECORD

STATE OF INCORPORATION: TEXAS

[REDACTED]

REGISTERED OFFICE: 1119 WEST RANDOL MILL RD., STE. 100, ARLINGTON, TX 76012

INCORPORATORS:

[REDACTED]

CAPITAL/STOCK: 100,000 AT 1.

TAXPAYER ID NUMBER: 017514532112

CORPORATE NUMBER: 00342194

TAX-YEAR: 1983

[REDACTED]

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TEXAS SECRETARY OF STATE, CORPORATE RECORD

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[REDACTED]

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OTHER

[REDACTED]

V  
[REDACTED]

LEVEL 1 - 1 OF 3 DOCUMENTS

\*\*\* THIS DATA IS FOR INFORMATION PURPOSES ONLY. CERTIFICATION CAN ONLY BE OBTAINED THROUGH THE OFFICE OF THE TEXAS SECRETARY OF STATE \*\*\*

TEXAS SECRETARY OF STATE, CORPORATE RECORD

NAME: PARENT CARE, INC.

TYPE OF CORPORATION: DOMESTIC PROFIT

CORPORATE STATUS: DEAD

DURATION: PERPETUAL

FILING-DATE: 12/30/1982

DEAD-DATE: 07/28/1986

DEAD-CODE: CHARTER FORFEITED (FAILURE TO PAY FRANCHISE TAX)

TAX-ADDRESS: [REDACTED] 1119 W RANDOL MILL, ARLINGTON, TX 760120000

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**LEXIS NEXIS LEXIS NEXIS**

TEXAS SECRETARY OF STATE, CORPORATE RECORD

STATE OF INCORPORATION: TEXAS

[REDACTED]

REGISTERED OFFICE: 1119 WEST RANDOL MILL RD., STE.100, ARLINGTON, TX 76012

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INCORPORATORS:

[REDACTED]

CAPITAL/STOCK: 5,000,000 AT NPV

TAXPAYER ID NUMBER: 017519142552

CORPORATE NUMBER: 00637353

TAX-YEAR: 1983

[REDACTED]

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[REDACTED]

TEXAS SECRETARY OF STATE, CORPORATE RECORD

[REDACTED]

OTHER

[REDACTED]

V

[REDACTED]

V

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LEVEL 1 - 1 OF 1 DOCUMENT

\*\*\* THIS DATA IS FOR INFORMATION PURPOSES ONLY. CERTIFICATION CAN ONLY BE OBTAINED THROUGH THE OFFICE OF THE TEXAS SECRETARY OF STATE \*\*\*

TEXAS SECRETARY OF STATE, CORPORATE RECORD

NAME: FUNDAMENTAL CARE CORPORATION, INC.

TYPE OF CORPORATION: DOMESTIC PROFIT

CORPORATE STATUS: DEAD

DURATION: PERPETUAL

FILING-DATE: 06/22/1984

DEAD-DATE: 08/26/1987

DEAD-CODE: ADMINISTRATIVE FORFEITURE (REGISTERED AGENT RESIGNED)

TAX-ADDRESS: PO BOX 120083, ARLINGTON, TX 760

TEXAS SECRETARY OF STATE, CORPORATE RECORD

STATE OF INCORPORATION: TEXAS

ASSUMED-NAME:

NAME: AFTON OAKS NURSING CENTER

STATUS: ACTIVE

COUNTIES: ALL

EXPIRES: 02/05/1996

FILED: 02/05/1986

REGISTERED [REDACTED] RSN 102386

REGISTERED OFFICE: 1341 W. MOCKINGBIRD LANE STE 718-E, DALLAS, TX 75247

INCORPORATORS:

CAPITAL/STOCK: 10,000 AT NPV

TAXPAYER ID NUMBER: 017519734549

CORPORATE NUMBER: 00709728

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**LEXIS NEXIS LEXIS NEXIS**

TEXAS SECRETARY OF STATE, CORPORATE RECORD

TAX-YEAR: 1986

[REDACTED]

PO BOX 120038, ARLINGTON, TX 760120000

[REDACTED]

PO BOX 120038, ARLINGTON, TX 760120000

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LEVEL 1 - 4 OF 6 DOCUMENTS

\*\*\* THIS DATA IS FOR INFORMATION PURPOSES ONLY. CERTIFICATION CAN ONLY BE OBTAINED THROUGH THE OFFICE OF THE TEXAS SECRETARY OF STATE \*\*\*

TEXAS SECRETARY OF STATE, CORPORATE RECORD

NAME: ROSIN ENTERPRISES, INC.

TYPE OF CORPORATION: DOMESTIC PROFIT

CORPORATE STATUS: ACTIVE

DURATION: PERPETUAL

FILING-DATE: 01/13/ 1989

STATE OF INCORPORATION: TEXAS

[REDACTED]

REGISTERED OFFICE: 2100 ROSSEVELT, ARLINGTON, TX 76013

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TEXAS SECRETARY OF STATE, CORPORATE RECORD

INCORPORATORS:

[REDACTED]

CAPITAL/STOCK: 10,000 AT 1

CORPORATE NUMBER: 01100224

HISTORY:

DATE	TRANSACTION
01/13/ 1989	ARTICLES OF INCORPORATION

b6  
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LEVEL 1 - 41 OF 251 DOCUMENTS

\*\*\* THIS DATA IS FOR INFORMATION PURPOSES ONLY. CERTIFICATION CAN ONLY BE OBTAINED THROUGH THE OFFICE OF THE TEXAS SECRETARY OF STATE \*\*\*

TEXAS SECRETARY OF STATE, CORPORATE RECORD

NAME: DIAMOND LIQUORS, INC.

TYPE OF CORPORATION: DOMESTIC PROFIT

CORPORATE STATUS: DEAD

[REDACTED]

REGISTERED OFFICE: 1119 W.RANDOL MILL RD.,STE.110, ARLINGTON, TX 76012

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[REDACTED]

[REDACTED]

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TEXAS SECRETARY OF STATE, CORPORATE RECORD

[REDACTED]

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LEVEL 1 - 126 OF 251 DOCUMENTS

\*\*\* THIS DATA IS FOR INFORMATION PURPOSES ONLY. CERTIFICATION CAN ONLY BE  
OBTAINED THROUGH THE OFFICE OF THE TEXAS SECRETARY OF STATE \*\*\*

TEXAS SECRETARY OF STATE, CORPORATE RECORD

NAME: KINDER WORLD, INC.

TYPE OF CORPORATION: DOMESTIC PROFIT

CORPORATE STATUS: DEAD

[REDACTED]

REGISTERED OFFICE: 1119 W. RANDOL MILL RD., STE. 100, ARLINGTON, TX 76012

[REDACTED]

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OTHER

[REDACTED]

V

FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☐ UNCLAS

Date 8/11/89

TO: DIRECTOR, FBI (29-105106)

(ATTN SSA's [redacted])

FINANCIAL CRIMES UNIT [redacted]

PUBLIC CORRUPTION UNIT)

FROM: SAC, DALLAS (29A-7417) (SUB F40A)

SUBJECT: THRIFTCON;  
 MAJOR CASE #98;  
 BF&E (A);  
 OO: DALLAS

Enclosed for the Bureau are four copies of a Dallas memo dated 8/7/89. Enclosed for WMFO are two copies of same memo.

For information Bureau and WMFO, enclosed self-explanatory memo concerns a newly opened investigation into [redacted] and RESOURCE SAVINGS ASSOCIATION. The memo makes reference to Former Speaker of the House, JAMES WRIGHT.

Dallas is not certain that the reference to WRIGHT is criminal with respect to WRIGHT and is providing it to the Bureau and WMFO for information purposes.

Dallas will forward to the Bureau and WMFO any additional information concerning WRIGHT and this matter if it becomes available.

Investigation at Dallas is continuing.

4 - Bureau (Enc. 4)  
 2 - WMFO (Enc. 2) (58A-WF-163158)  
 4 - Dallas  
     (2 - 58A-WF-163158)  
     (1 - 29A-7417 Sub C)  
     (1 - 29A-7417 Sub F40A)

DNK/pdc  
 (10)

Approved: [Signature]

Transmitted

(Number)

(Time)

Per

58A-WF-163158

LM EJ 28

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# Memorandum



To : SAC, DALLAS (29A-7417 SUB F40A)

Date 8-7-89

From : SA [REDACTED] SQUAD #10

Subject :



THRIFTCON  
MAJOR CASE 98  
B F & E  
OO: DALLAS

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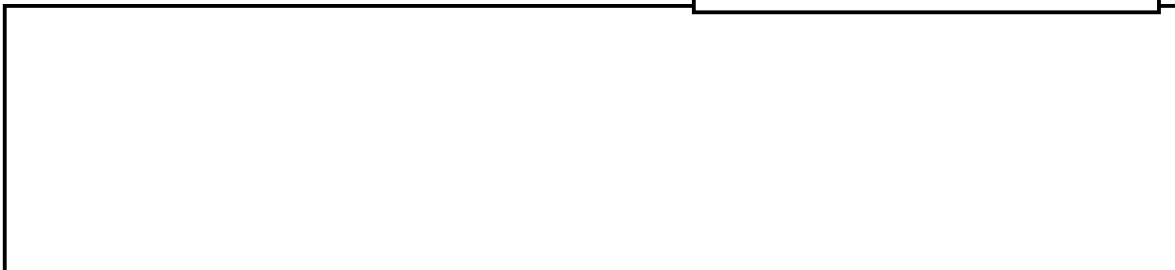
On August 7, 1989, [REDACTED] who does not wish that there name be used at the present time, advised that they were [REDACTED]

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b7D

The individual vaguely recall [REDACTED] and will have to research their records to refresh his recollection of [REDACTED] The individual also believed that [REDACTED]

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b7D

The individual recalls that [REDACTED]



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b7D

2 - Dallas  
DRH

Page 2.

The individual wanted [REDACTED]

[REDACTED]

[REDACTED] then Speaker of the House  
JAMES WRIGHT.

[REDACTED]

The individual knew that [REDACTED]

[REDACTED]

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b6  
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b7D

7  
/READ/REF 11  
0030 MRI 01215

RR RUEHFB FBIWMFO FBISA

DE FBIDL #0006 2332027

ZNR UUUUU

R 212006Z AUG 89

FM FBI DALLAS (58A-WF-163158)

TO DIRECTOR FBI/ROUTINE/

FBI WMFO/ROUTINE/

FBI SAN ANTONIO/ROUTINE/

BT

UNCLAS

CITE: //3190:SQUAD 8//

SUBJECT: JAMES C. WRIGHT, FORMER UNITED STATES CONGRESSMAN, 12TH  
DISTRICT, FORT WORTH, TEXAS; BRIBERY - CONFLICT OF INTEREST;  
CONSPIRACY; OO: WMFO.

RE WMFO AIRTEL TO DIRECTOR, ET AL, DATED JULY 25, 1989.

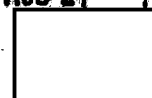
FOR INFORMATION OF SAN ANTONIO, IN THE ABOVE REFERENCED  
AIRTEL, DALLAS WAS REQUESTED TO SERVE A SUBPOENA ON [REDACTED]

[REDACTED] REFERENCED AIRTEL PROVIDED NO ADDRESS OR  
DESCRIPTIVE INFORMATION REGARDING [REDACTED]

b3

58A-WF-163158-28  
SEARCHED \_\_\_\_\_ INDEXED \_\_\_\_\_  
SERIALIZED LM FILED RT

AUG 21 4 32 PM '89



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[REDACTED]

PER REQUEST OF WMFO, DALLAS HAS FORWARDED THE ORIGINAL  
FEDERAL GRAND JURY SUBPOENA FOR [REDACTED]

[REDACTED] TO THE AUSTIN RA OF THE SAN ANTONIO DIVISION FOR SERVICE.  
THE ACTUAL SUBPOENA HAS BEEN SENT TO THE AUSTIN RA UNDER SEPARATE  
COVER AND SHOULD BE RECEIVED VIA FEDERAL EXPRESS ON AUGUST 21,  
1989.

b3

SAN ANTONIO DIVISION AT AUSTIN, TEXAS: WILL CONTACT WMFO  
FOR NEW GRAND JURY DATE AND WILL SERVE REFERENCED FEDERAL GRAND  
JURY SUBPOENA TO [REDACTED]

b3

[REDACTED]

DALLAS DIVISION AT DALLAS, TEXAS: CONTINUING INVESTIGATION.

BT

#0006

NNNN

FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☐ UNCLAS

Date 8/9/89

TO : SAC, WMFO (58A-WF-163158) (P)

FROM : SAC, BOSTON (58A-WF-163158) (P)

**JAMES C. WRIGHT;  
 ET AL;  
 BRIBERY-CONFLICT OF INTEREST;  
 CONSPIRACY;  
 OO:WMFO**

Reference WMFO airtel to Director, dated 7/25/89.

Enclosed for WMFO are original and two copies of FD-302  
 as well as executed Federal Grand Jury Subpoena reflecting  
 service on [REDACTED]

Investigation continuing Boston Division.

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 b7C

UCFN	<input type="checkbox"/> Pos	<input type="checkbox"/> Neg
GENERAL INDICES		
<input type="checkbox"/> Adm	<input type="checkbox"/> Pos	<input type="checkbox"/> Neg
<input type="checkbox"/> Man	<input type="checkbox"/> Pos	<input type="checkbox"/> Neg
<input type="checkbox"/> WF	<input type="checkbox"/> Pos	<input type="checkbox"/> Neg
<input type="checkbox"/> AX	<input type="checkbox"/> Pos	<input type="checkbox"/> Neg

②-WMFO (Encs. 4) *val*  
 2-Boston (58A-WF-163158)  
 NJM:prc  
 (4)

1\*

58A-WF-163158-30  
 KM KM

Approved: \_\_\_\_\_ Transmitted \_\_\_\_\_ Per \_\_\_\_\_  
 (Number) (Time)

## FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 8/9/89

[redacted]  
[redacted] was contacted  
and advised of the official identity of the contacting Agent.  
[redacted] was thereafter served with a Federal Grand Jury Subpoena  
calling for his appearance on [redacted] at the  
United States District Court, District of Columbia, Washington,  
D.C.

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Investigation on 8/4/89 at [redacted] File # 58A-WF-163158  
by SA [redacted] <sup>NTM</sup>/prc Date dictated 8/4/89

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